Systematic
FINANCIAL MANAGEMENT

Part 3: Form CRS June 26, 2020

Item 1. Introduction

Systematic Financial Management, L.P. is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

We provide investment advisory services to retail investors through separately managed account (SMA) and model-based Unified Managed Account (UMA) wrap fee programs. Accounts within these wrap fee programs are offered to retail investors by a "sponsor," usually a brokerage, banking or investment advisory firm, which charges a single fee to its clients for all services provided under the program and, if we are selected as an adviser, pays us a portion of its all-inclusive program fee for our advisory services.

Monitoring

Our portfolio managers generally review the assets of models and accounts daily for portfolio strategy and asset allocation purposes. The portfolio managers and Compliance team also review model and portfolio activity to ensure internal and investor-directed guidelines and restrictions are followed, if and where applicable. This monitoring of the models and accounts through which retail investor assets are managed is part of our standard services.

Investment Authority

For some wrap programs, we have been granted discretionary authority to manage the accounts in those programs, which means we can buy and sell investments on behalf of the program accounts without seeking permission on a trade-by-trade basis from the program sponsor or the underlying retail investor. This authority may be limited by investment restrictions established by the investor or program sponsor. For other wrap programs, our services are provided on a non-discretionary basis, which means that we regularly furnish a model portfolio to the program sponsor, which the sponsor may choose to employ in its management of retail investor accounts under the program (i.e., the sponsor makes the ultimate decision with respect to the purchase or sale of investments).

Limited Investment Offering

Our advisory services are limited to common stock traded on U.S. exchanges.

Account Minimums and Other Requirements

For the wrap programs discussed above, the sponsor typically establishes the minimum account size. In instances where the sponsor does not establish a minimum account size, we may do so (typically $50,000).

Additional information about our services is available in Part 2A of our Form ADV, which is available at https://adviserinfo.sec.gov/firm/summary/106146.

Conversation Starters. Ask your financial professional—

- **Given my financial situation, should I choose an investment advisory service? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

Retail investors in the wrap programs which we serve pay the wrap fee program sponsor a single fee called a "wrap fee," generally based on assets under management, for consulting, brokerage, custodial, portfolio monitoring, and investment management services, typically up to 3% of the investor's total portfolio assets under management. The sponsor, in turn, pays us a portion of this all-inclusive wrap fee on a quarterly basis, generally in advance, for the investment advisory services we provide. The wrap fees paid by retail investors investing in wrap fee program account are set by the sponsor. In some cases, we negotiate with the sponsor with respect to the portion of the wrap fee we will receive for our advisory services. However, in other cases, we contract with the underlying retail investors in the wrap program, and negotiate our fees directly with those investors. Additional information about our firm's fees are included in Item 5 of Part 2A of Form ADV, available at https://adviserinfo.sec.gov/firm/summary/10146.
Retail investors in wrap programs may wish to consult with wrap program fee sponsors to determine if there are any other fees associated with their accounts other than the wrap fee referenced above.

	You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. **Conversation Starter.** Ask your financial professional— • **Help me understand how these fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**
Item 3. Fees, Costs, Conflicts, and Standard of Conduct	**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?** ***When we act as your investment adviser,*** we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means. • We manage accounts for multiple clients, and we allocate our time based on each client's needs. Our firm earns more as we expand our client base and grow our assets under management, and we seek to balance our staffing with the individualized needs of each client. • We serve as sub-adviser to mutual funds which are available to employees for their personal investment. These funds may hold, purchase, or sell the same securities as the retail investor accounts within the wrap programs to which we provide advisory services. We may also have an incentive to favor these funds when allocating investment opportunities. Notwithstanding the above, Systematic recognizes its affirmative duty to treat all accounts fairly and equitably over time and maintains a series of controls in furtherance of this goal. While we may, in some cases, be deemed to be an investment adviser to the wrap program sponsors rather than the underlying retail investors in those programs, our investment advisory services and the controls under which we operate are designed to benefit both are the wrap program sponsors and the underlying retail investors. ***Conversation Starter.*** Ask your financial professional— • **How might your conflicts of interest affect me, and how will you address them?** **Additional information** about conflicts of interest between our firm and our clients is available in Part 2A of our Form ADV, which is available at https://adviserinfo.sec.gov/firm/summary/106146. **How do your financial professionals make money?** Our financial professionals receive a salary and a share of our overall revenues, and, therefore, compensation is based in part on the aggregate performance of all of our portfolios. Financial professionals are not compensated solely on the basis of the performance of, or the value of assets held in, any product managed by Systematic.
Item 4. Disciplinary History	**Do you or your financial professionals have legal or disciplinary history?** **Yes** ☐ **No** ☒ Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals. ***Conversation Starter.*** Ask your financial professional— • **As a financial professional, do you have any disciplinary history? For what type of conduct?**
Item 5. Additional Information	***Additional information about our services*** can be found at https://adviserinfo.sec.gov/firm/summary/106146. If you have any questions about the contents of this brochure or would like to request a copy of this relationship summary, please contact our Marketing Representative at 201-928-1982. **Conversation Starter.** Ask your financial professional— • **Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**

Systematic Financial Management, L.P.

Form ADV Part 2A

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This Form ADV Part 2A (the "Brochure") provides information about the qualifications and business practices of Systematic Financial Management, L.P. ("Systematic" or the "Firm"). If you have questions about the contents of this Brochure, please contact us at (201) 928-1982 or via email at sfmcompliance@sfmlp.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Systematic is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Systematic who are registered, or are required to be registered, as investment adviser representatives of Systematic.

Although Systematic is registered as an investment adviser under the Investment Advisers Act of 1940, such registration does not imply that Systematic or our personnel have a certain level of skill or training.

March 31, 2021

Item 2 – Material Changes

This Item requires Systematic to summarize any material changes to our Form ADV Part 2A since the Firm's last annual update on March 25, 2020. This update to the current Form ADV Part 2A reflects the following changes:

- Item 8: We updated this item to eliminate disclosures and risks relating to Systematic's Disciplined Value discipline that includes our International strategy which closed on 3/31/2020 and our Small Cap Equity strategy which closed on 7/31/2020.
- We made immaterial updates to our Proxy Voting Policy to reflect regulatory changes.

We also made certain other non-material changes throughout our Form ADV Part 2A.

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Item 4 – Advisory Business

Systematic's sole business is investment management, and we expect to remain exclusively focused on this one important function. We foster a team approach to portfolio management and promote an environment that embraces our mission which is to provide our clients with superior long-term investment results that consistently outperform their benchmark objectives and expectations. In addition to our goal of achieving superior long-term investment results, we strive to deliver the highest quality client service by providing our clients with a team of dedicated and experienced service professionals that endeavor to provide timely and thoughtful client communications and reporting. We believe our success has been driven by our team-oriented approach to investing and our strict adherence in consistently applying our investing principles.

Systematic has provided value-oriented investment management services to institutional investors and private clients since 1982 and continues to do so today on both a discretionary and non-discretionary basis.

Systematic currently has its headquarters in Teaneck, New Jersey, as well as an office in Newport Beach, California.

As of December 31, 2020, the Firm had approximately $2,523,050,220 in assets under management ("AUM").

Systematic serves as an investment adviser or sub-adviser to various clients, including, but not limited to, corporations and business entities, pension and profit-sharing plans, mutual funds, single and multi-employer Taft-Hartley (union) plans, governmental entities, banks, charitable organizations, other pooled investment vehicles and private clients. Please see "Item 7 – Types of Clients" of this Brochure for more information with respect to Systematic's clients.

Principal Ownership

Systematic is an indirect wholly owned affiliate of Affiliated Managers Group, Inc. ("AMG"), a publicly traded global asset management company (NYSE: AMG) with equity investments in boutique investment management firms. Members of Systematic's senior management comprise Systematic's Management Committee, which maintains autonomous control of the Firm's investment process as well as the overall management of the business.

AMG also holds equity interests in other investment management firms ("AMG Affiliates") and has resources dedicated to the investment management business and the growth of its Affiliate partners, which are available to Systematic in its sole discretion. Further information on both AMG and the AMG Affiliates is provided in "Item 10 – Other Financial Industry Activities and Affiliations" of this Brochure.

Advisory Services

Systematic is an investment management firm specializing in value-oriented equity investment management services. The Firm manages a distinct investment discipline to help investors pursue specific value opportunities. Our Free Cash Flow Value discipline follows a unique, well-defined investment methodology that leverages Systematic's proprietary research to achieve the discipline's particular investment objectives.

The Firm's research process, which employs both fundamental and quantitative research, has been built and continually refined over three decades of practical Firm experience. Our fundamental investment research team is organized by economic sectors, thus enabling our investment analysts to draw detailed insights and patterns within their sectors. Furthermore, this approach offers our portfolio managements team a depth of knowledge into relative and absolute valuation potential when attempting to identify compelling investment opportunities.

We describe our investment strategies and our fundamental bottom-up research processes in more detail in "Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss" of this Brochure.

Systematic recognizes that all of our clients are unique and, as such, their investment needs may be different. Consequently, while we will not alter our philosophy or approach to value equity investing, we may tailor our investment strategies to meet the specific goals our clients. For example, we generally accept investment restrictions related to socially responsible investing, politically sensitive regions or certain types of securities, such as limitations on securities that Systematic considers foreign and REITs. At the commencement of the client relationship, each of our clients executes an investment management agreement, which typically sets forth the client's investment objectives, investment strategy and any investment restrictions applicable to our management of the assets in the client's account. Prior to the execution of the agreement, we review requested investment objectives and restrictions where applicable and work with the client as needed to refine these objectives and restrictions to both meet the client's needs and provide us with sufficient discretion to properly invest the client's assets according to Systematic's investment strategies.

Separate Account and Collectively Managed Vehicle Advisory Services

Systematic offers advisory services to our clients on a discretionary basis through both separate accounts and collectively managed vehicles.

With respect to collectively managed vehicles, we typically provide sub-advisory services to U.S. and non-U.S. based vehicles sponsored by affiliate and non-affiliated parties. These funds may be registered in the U.S. or in non-U.S. jurisdictions and include, but may not be limited to, U.S. registered investment companies, bank collective trusts, and UCITS (Undertakings for Collective Investments in Transferable Securities) funds. Information about these collectively managed vehicles is generally contained in each fund's prospectus, offering memorandum, declaration of trust, subscription agreements or other offering materials. Investors seeking to invest or invested in these vehicles should refer to the relevant fund's offering documents for additional information.

Separately Managed Account (SMA) & Unified Managed Account (UMA) "Wrap Fee" Program Advisory Services

Systematic offers its value equity strategies to clients of Separately Managed Account (SMA) discretionary wrap fee programs and non-discretionary, model-based Unified Managed Account (UMA) wrap fee programs. SMA wrap fee programs involve providing discretionary advisory services for individually managed accounts for individual or institutional clients. UMA wrap fee programs involve providing non-discretionary advisory services by furnishing a model portfolio which the UMA program sponsor may choose to employ in its management of accounts under one or more managed account programs. Systematic deems these types of UMA wrap fee programs to be non-discretionary, as Systematic does not have any authority to place orders for the execution of transactions under such programs.

These SMA and UMA wrap fee accounts are offered as part of a larger program by a "sponsor," usually a brokerage, banking or investment advisory firm. Typically, the program sponsor of the SMA or UMA wrap fee program charges a single fee to its clients for all services provided under the program (brokerage, custody and advisory) and pays advisers, including Systematic, a portion of its all-inclusive program fee for the advisers' services. In some cases, wrap fee program clients enter into unbundled arrangements with the sponsor, through which clients also enter into an investment management agreement directly with Systematic, otherwise known as "dual contract" arrangements. In such arrangements, the client typically pays the investment management fee directly to Systematic, as described in Item 5 – Fees & Compensation of this brochure.

Systematic's management of SMA and UMA wrap fee accounts and other separate accounts and collectively managed vehicles under the same investment strategy is generally similar. Although we cannot necessarily offer the same level of portfolio customization to wrap fee accounts that is offered to other accounts within an investment strategy, we allow our SMA wrap fee clients the opportunity to customize their portfolios by requesting reasonable investment restrictions on their accounts. Systematic has no ability to offer customized portfolios to clients investing in UMA wrap fee programs as the UMA program sponsor retains responsibility for monitoring and implementing any investment restrictions imposed by their clients.

In addition, since the program sponsor typically implements trades for SMA wrap fee program accounts, and in the case of UMA wrap fee program accounts is responsible for implementing all portfolio transactions, we cannot guarantee that the performance of our separate accounts and collectively managed vehicles will be similar to the performance results of SMA and UMA wrap fee accounts. As described in "Item 12- Brokerage Practices," while brokerage directed to a wrap program sponsor is designed to benefit the wrap fee program account through lower trading costs, there may be some circumstances where directed trades do not receive the best price, or where dividing the trade into separate components may inhibit Systematic's ability to obtain the same level of, or as timely, an execution as we may otherwise have been able to obtain if we had been able to execute the entire trade with one broker/dealer. Additionally, SMA and UMA wrap fee program accounts do not participate in new issues, such as initial public offerings ("IPOs") and secondary offerings. (An IPO is the first sale of a private company's stock to the public and the shares available are typically limited in number. A secondary offering is the issuance of new stock for public sale from a company that has already made an initial public offering). Due to operational limitations and the costs associated with trading away from the SMA wrap fee program sponsor (in addition to the wrap fees normally paid) by placing trades with a different brokerage firm, it is Systematic's policy to trade directly with the SMA wrap fee program sponsor. Systematic continues to employ methods, such as trade rotation, in an effort to reduce the impact of these issues. Clients who enroll in these programs should satisfy themselves that the sponsor is able to provide best price and execution of transactions.

Other Non-Discretionary Services

On occasion, a client may request that a security or cash be brought into the client's account that will not be subject to our discretionary management services. In such instances, Systematic does not exert any discretion over the holding and generally does not include the holding when determining the client's fees.

Assets under Management

As noted above, Systematic's total AUM is approximately $2,523,050,220 as of December 31, 2020. Of this amount, approximately $2,270,696,880 was managed by Systematic on a discretionary basis, and approximately $252,353,340 was managed by Systematic on a non-discretionary basis. Systematic's Regulatory AUM in the Firm's Form ADV Part 1A, Item 5.F, includes those accounts that were active as of December 31, 2020. The Firm's Regulatory AUM in Form ADV Part 1A further excludes any non-discretionary UMA wrap fee program assets for which Systematic has no authority to place orders for the execution of transactions, as described in the "Advisory Services" section of this Item.

Item 5 – Fees and Compensation

Standard Fee Schedules

Systematic is compensated for its investment advisory services through payments of fees made by our clients.

Fees for advisory services are generally billed to clients either monthly or quarterly, in advance or in arrears, and are prorated to the date of termination if the client terminates the client's relationship with Systematic. Upon account termination, any unearned fees paid in advance will be refunded promptly. Fees are also prorated at the inception of the investment advisory agreement to cover only the period of time the account assets were under management.

The fees charged to clients generally are computed as a percentage of the value of the assets under management.

Institutional Separate Account Asset-Based Fee Schedules

Systematic's standard fee schedules for fully discretionary U.S.-based institutional Separate Account Advisory Services are set forth below. These standard fee schedules may be modified from time to time.

Small Cap Free Cash Flow

1.00% of the first $25 million;
0.75% of the next $50 million; and
0.60% over $75 million

SMID Cap Free Cash Flow

0.85% of the first $25 million;
0.75% of the next $50 million; and
0.60% over $75 million

Mid Cap Free Cash Flow

0.75% of the first $25 million;
0.50% of the next $50 million; and
0.40% over $75 million

Notwithstanding the fee schedules noted above, and subject to applicable laws and regulations, Systematic retains discretion over the fees that it charges to its clients, as well as any changes in its fee schedules. Fees may be negotiated in Systematic's sole discretion in light of a client's special circumstances, such as asset levels, service requirements, or other factors. In some cases, Systematic may agree to offer clients a fee schedule that is lower than that of other comparable clients in the same investment style. In addition, there may be historical fee schedules with longer standing clients that differ from those applicable to new client relationships. For comparable services, other investment advisers may charge higher or lower fees than those charged by Systematic. Advisory fees may be subject to a specified annual minimum fee or maintenance of a certain minimum amount of contributed capital; however, Systematic reserves the right to waive all or a portion of its management fee and negotiate minimum annual fees or asset levels.

In calculating advisory fees, Systematic generally relies on prices provided by third-party pricing services, custodians, and/or broker/dealers or platform sponsors for purposes of valuing portfolio securities held in client accounts. Although, under normal circumstances, Systematic generally does not invest in securities requiring fair valuation, Systematic may, on occasion, be required to "fair value price" a security when a market price for that security is not readily available or when Systematic has reason to believe that the market price is unreliable. When "fair value pricing" a security, Systematic will use various sources of information at our disposal to determine a fair price that the security would obtain in the marketplace if, in fact, a market for the security existed. For any fair value securities, Systematic maintains written policies and procedures relating to the pricing process in an effort to mitigate any conflicts of interest with respect to valuation. In the event that market quotations are not readily available for a portfolio security, Systematic will typically employ the last traded price for valuation purposes. Systematic's policies and procedures also set forth a series of factors that should be considered during the fair valuation process. While a member of the portfolio management team may be consulted about a fair valuation matter, no member of the portfolio management team will make the final decision on the value of a portfolio security.

Systematic generally does not offer performance-based fee arrangements. From time to time, however, the Firm may negotiate and agree to these fee structures in light of various client requests and circumstances. Performance-based fees may include an asset-based management fee component, which is either flat or includes breakpoints linked to the amount of assets in the account regardless of the performance of an account. In all instances, fees based in whole or in part on the performance of an account are structured in compliance with applicable laws and regulations. See "Item 6 – Performance-Based Fees and Side-by-Side Management" for further information.

Fees for Specialized Accounts and Advisory Services

Fees for Collectively Managed Vehicles/Sub-advisory Arrangements

Systematic sub-advises collectively managed investment vehicles, which may include from time-to-time U.S. mutual funds, UCITs funds, and collective investment trusts. In its capacity as "sub-adviser" to such accounts, Systematic's fees and services are determined by contract with the adviser and in consideration of factors similar to those described above for institutional separate account advisory services along with the vehicle's structure and other relevant factors such as service levels and geographic location. Information concerning these sub-advised funds, including descriptions of the services provided and advisory fees, is typically contained in each fund's prospectus or other offering documents, which are generally available on the relevant fund's website. Other fees payable as an investor in a sub-advised fund or other sub-advised account are described below, as well as in the fund's prospectus or client investment management agreement. Investors seeking to invest in, or invested in, collectively managed vehicles are encouraged to review the funds offering documents for additional information.

Fees for Separately Managed Account (SMA) and Unified Managed Account (UMA) Wrap Fee Programs

For additional information with respect to SMA and UMA wrap fee programs, please see the sub-section entitled "Wrap Fee Programs" under "Item 4 - Advisory Business" of this Brochure.

Clients in these programs generally pay the wrap fee program sponsor a single fee (called a "wrap fee") for consulting, brokerage, custodial, portfolio monitoring, and investment management services, typically up to 3% of the assets under management. The fees paid by clients investing in SMA and UMA wrap fee account are set by the sponsor and are generally disclosed in the sponsor's contract established with each client. Clients selecting to invest in these programs are encouraged to review the sponsors' brochures for information about the fees incurred along with the terms and other conditions pertinent to these arrangements.

Systematic negotiates the fee for our advisory services to SMA and UMA wrap fee programs with the sponsors of the programs. The fees negotiated with the sponsors for our advisory services to such programs vary and depend on such factors as the market capitalization of the strategy and the nature of advisory services provided (e.g., discretionary (SMA) services versus nondiscretionary model-based (UMA) services). We individually negotiate our fees for dual contract managed accounts (i.e., SMA wrap fee program accounts for which the clients have contracts with both the program sponsor and Systematic) and do not have a standard fee schedule. The sponsoring firm pays Systematic a portion of the all-inclusive wrap fee paid by its client on a quarterly basis, generally in advance. In all cases, the wrap fee program sponsor deducts the client's all-inclusive fee from the client's account and then remits to Systematic a portion of the sponsor's fee for Systematic's investment management services. Upon termination of Systematic as the wrap fee manager, any prepaid unearned fees previously paid to Systematic by the sponsor are refunded on a pro rata basis.

With regard to wrap fee program accounts, the all-inclusive fee charged by the sponsor may exceed the aggregate cost of the services provided if such services were negotiated and purchased separately, depending on:

- the level of the all-inclusive fee;
- the amount of trading activity in a client's account;
- the cost of brokerage commissions (which costs are typically negotiated between the client and the broker/dealer, rather than by Systematic, with transactions being affected either by the broker/dealer or a third party);
- the value of any other services rendered to the client; and
- other miscellaneous factors.

Systematic does not dictate the overall fee schedule for wrap fee programs (including non-discretionary programs). Participants or clients in such programs should be aware that wrap account fees may at times be higher than the fees that accounts might pay to retain Systematic directly outside of a wrap fee product if such accounts meet minimum thresholds for single client accounts. Systematic does not undertake to determine or assess the extent or value of services provided to wrap fee program clients by their respective sponsors, nor does Systematic generally have access to the information necessary to make such an assessment.

For detailed information concerning the wrap fees charged by each wrap fee program sponsor, please refer to the specific sponsor's Form ADV Part 2A.

For additional information regarding transaction charges for wrap fee accounts, please see "Item 4 – Advisory Business" and the "Directed Brokerage" sub-section of "Item 12 – Brokerage Practices" of this Brochure.

Other Non-Discretionary Assets

On occasion, a client may request that a security be brought into the client's account which will not be subject to our discretionary management services. Please see a description of such arrangements in "Item 4 – Advisory Business." As previously noted, Systematic generally does not include such holdings when calculating client fees.

Additional Fees and Expenses Payable by Clients

Systematic's fees are exclusive of brokerage commissions, transaction fees, other service provider fees, and other related costs and expenses which will be incurred by the client. Execution of client transactions typically requires payment of brokerage commissions by clients. "Item 12 – Brokerage Practices" further describes the factors that Systematic considers in selecting or recommending broker/dealers for the execution of transactions and determining the reasonableness of their compensation (*e.g.*, commissions). Investment activity may also involve other transaction fees payable by clients, such as sales charges, regulatory fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, clients may incur certain charges imposed by custodians, broker/dealers, third-party investment consultants, and other third parties, such as custodial fees, consulting fees, administrative fees, fund administration and transfer agency fees.

Fees for Investment of Client Assets in Third-Party Exchange-Traded Funds, Custodian Short-Term Investment Funds, and Other Short Term Pooled Vehicles (including Money Market Mutual Funds)

At times, Systematic invests clients' assets in third-party exchange-traded funds ("ETFs"), or excess cash held in client accounts may be temporarily invested by the accounts' custodians in the custodians' short-term investment funds ("STIFs") or other short-term pooled investment vehicles, including money market mutual funds. To the extent that a client's assets are invested in such other securities, funds or short-term pooled investment vehicles, the client will also typically pay management and/or other fees to each such fund or vehicle, or certain fees may be included in the share price. Any such fees are in addition to the fees paid by the client to Systematic and are described in the prospectus or other offering documents of each fund or vehicle. Such charges, fees, and commissions are exclusive of, and in addition to, Systematic's investment management fee.

Specifically, fees for investments in ETFs, STIFs, or short-term pooled investment vehicles (including money market mutual funds) generally include two types: shareholder fees and annual fund operating expenses. Shareholder fees may include:

- Redemption fees (fees paid to the fund or vehicle upon the sale of shares, which generally do not apply to ETFs);
- Exchange fees (fees charged for transferring to another fund within the same fund group); and
- Account fees (account maintenance fees).

Annual fund operating fees may include:

- Management fees (fees paid to an adviser or its affiliates for managing the fund or vehicle);
- Distribution and/or service fees (fees for distribution expenses, and sometimes shareholder service expenses); and
- Other expenses (miscellaneous expenses, such as custodial expenses, legal expenses, accounting expenses, transfer agent expenses, and other administrative expenses).

Clients whose assets are invested in ETFs, STIFs, or other short-term pooled investment vehicles may pay some or all of the above fees. Clients should review the prospectus or offering documents of any fund or short-term pooled investment vehicle in which their assets are invested to understand the fees that may be applicable.

Investors in collectively managed vehicles sub-advised or sponsored by us, our affiliates or third parties generally pay all fees and expenses applicable to investors in the collectively managed vehicle, which typically include management, custodial, accounting, transfer agency, portfolio investment transaction, administration, legal and audit fees. Investors seeking to or invested in these vehicles are encouraged to consult the fund's offering documents for additional information.

Other Compensation

Systematic is compensated through the stated management fee agreed upon in the investment advisory agreement. The Firm does not receive compensation related to the sale of securities or other investments products. Our supervised persons do not receive any compensation directly related to our sale of securities or other investment products, but the sale, and ongoing servicing, of our advisory services or interests in funds we manage may be considered in determining the compensation of our marketing and client services personnel. However, any such compensation, is payable by Systematic to its employees and is not borne by the Firm's clients or the funds' investors.

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

Side-by-Side Management

Our investment professionals simultaneously manage multiple types of portfolios (including institutional separate accounts, sub-advised mutual funds, and retail wrap accounts) according to the same or a similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment products may be deemed to create certain conflicts of interest, as, for example, the fees for the management of certain types of products may be higher than others. Additionally, as described in "Item 11– Code of Ethics, Participation or Interest in Client Transactions and Personal Trading," the Firm's executive officers, partners and employees may have investments in certain accounts or funds managed by Systematic (e.g., sub-advised mutual funds) that follow investment strategies similar to those of other portfolios that we manage. When managing the assets of such accounts, Systematic has an affirmative duty to treat all such accounts fairly and equitably over time and maintains a series of controls in furtherance of this goal.

Nonetheless, each account within a strategy will not necessarily be managed the same at all times. Specifically, there is no requirement that Systematic use the same investment practices consistently across all accounts. In general, investment decisions for each separately managed client account will be made with specific reference to the individual needs and objectives of each client account. Different client guidelines and/or differences within particular investment strategies may lead to the use of different investment practices for portfolios within an investment strategy. Systematic may not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of capital under management by Systematic or different amounts of investable cash available. As a result, although Systematic manages numerous portfolios with similar or identical investment objectives or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

Since side-by-side management of various types of portfolios also raises the possibility of favorable or preferential treatment of a portfolio or a group of portfolios, Systematic has implemented a series of controls to further its efforts to treat all accounts fairly and equitably. For example, Systematic has implemented a trade allocation policy. Under this policy, all accounts within a trade order will typically receive a portion of the executed order on a pro rata basis. Pursuant to the policy, the Trading Department will typically place all incoming orders on an equal time basis in calculating pro rata allocations and average price, provided that the time between contact and order receipt are reasonable in relation to the decision-making process on the part of the portfolio managers involved.

The Firm also uses an automated trade order management system, which generally implements a pro rata allocation across all accounts within a given strategy (subject to any restrictions on individual accounts). In addition, performance across accounts within a particular investment strategy is checked regularly by portfolio managers to identify outliers, if any, and the Operations Department reviews performance dispersion as well. The Firm also performs periodic strategy level reviews to measure attribution and style drift.

For a discussion of allocation practices involving investments in which the Firm has an interest, please see "Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading." For a discussion of the Firm's policy and practices with respect to pro rata allocation and allocation of limited investment opportunities, please see the "Trade Aggregation" sub-section of "Item 12 – Brokerage Practices."

Performance-Based Fees

While Systematic generally does not offer performance-based fee arrangements, from time to time, the Firm may agree to such a structure in light of various client requests and in accordance with applicable regulations regarding performance-based fees. A performance-based fee is a fee representing an asset manager's compensation for managing an account which is based upon a percentage of the net profits of the account being managed. When calculating net profits, performance-based fees may be based on absolute or benchmark relative returns. We may have both performance-based fee accounts and asset-based fee accounts within a particular investment strategy.

Performance-based fees create certain inherent conflicts of interest with respect to Systematic's management of assets. Specifically, our entitlement to a performance-based fee in managing one or more accounts may create an incentive for us to take risks in managing assets that we would not otherwise take in the absence of such arrangements. Additionally, since performance-based fees reward us for strong performance in accounts which are subject to such fees, we may have an incentive to favour these accounts over those that have asset-based fees (i.e., fees based simply on the amount of assets under management in an account) with respect to areas such as trading opportunities, trade allocation, and allocation of new investment opportunities. For comparable services, other investment advisers may charge higher or lower fees than those charged by Systematic.

To maintain fair and equitable treatment of all of accounts over time, Systematic has implemented a series of controls to further its efforts to treat all accounts fairly, regardless of their corresponding fee-structure. Those controls are discussed above in the "Side-by-Side Management" sub-section of this Item 6.

Item 7 – Types of Clients

Types of Clients

As noted in "Item 4 – Advisory Business" of this Brochure, Systematic serves as an investment adviser or sub-adviser to varying types of clients, including, but not limited to corporations and business entities, pension and profit-sharing plans, mutual funds, single and multi-employer Taft-Hartley (union) plans, governmental entities, banks, collective investment funds, endowments and foundations, charitable organizations, individuals, trusts, and estates.

Conditions for Managing Accounts

For discretionary, separate account mandates, Systematic generally requires accounts to have a minimum value. These minimum account values generally range from $1,000,000 to $5,000,000 for institutional separately managed accounts based upon a variety of factors, including investment strategy. As noted in "Item 4 – Advisory Business" of this Brochure, Systematic participates as an investment adviser or sub-adviser in investment management programs, sponsored by investment management divisions of several brokerages, banks, and other investment advisory firms, including Wrap Fee programs. In these scenarios, the relevant wrap fee program sponsor or fund generally determines account minimums. Where the program sponsor or fund does not establish a minimum account value, Systematic may do so.

Under certain circumstances, Systematic may waive its minimum account size requirements in its sole discretion on a case-by-case basis. Generally, Systematic requires each client to execute an investment management agreement that details the nature of the discretionary investment advisory authority given to Systematic.

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

Methods of Analysis & Investment Disciplines

As described in "Item 4 – Advisory Business" of this Brochure, Systematic is an investment management firm specializing in value equity investing. Systematic offers our Free Cash Flow Value investment discipline to investors who are pursuing a value equity opportunity.

Free Cash Flow Value Discipline

Systematic's Free Cash Flow discipline is based on our belief that:

- The value of any asset is the present value of its future expected cash flows;
- The strongest small to medium companies are self-funding and have limited levels of debt;
- Investing in undervalued companies generating positive cash flows can provide an additional margin of safety; and
- Portfolio management is best executed through a disciplined, repeatable process based on fundamental, bottom-up investing.

Our Free Cash Flow Value portfolios are managed based upon our belief that investors can seek the higher returns typically associated with small cap value investing without sacrificing portfolio quality. We strive to identify what we believe to be high-quality, undervalued companies with strong balance sheets and solid business models that generate positive, recurring free cash flows, particularly relative to debt. By focusing on a company's financial health and cash flows, we seek to identify undervalued opportunities while avoiding potential value traps.

We believe a company's long-term value is equal to its discounted future cash flows. Earnings are important, but we believe cash flows provide the truest measure of a firm's viability and operation. We also look for companies that we believe possess the ability to retire all outstanding debt within a reasonable amount of time based on expected free cash flow levels. These types of companies, in our opinion, significantly reduce financial risk and solvency concerns and exhibit the financial flexibility to navigate market changes more effectively.

Systematic's Free Cash Flow Value discipline includes the following portfolio strategy offerings:

Small Cap
Small Cap Focus
SMID Cap
Mid Cap

The strategies managed pursuant to Systematic's Free Cash Flow Value discipline seek to invest in companies (through U.S. Equity, American Depository Receipts ("ADRs"), and foreign securities traded on U.S. markets) generally consistent with the market capitalization range of the Russell 2000 Index in the case of Small Cap Free Cash Flow strategy, the Russell 2500 Index for SMID Cap Free Cash Flow strategy and Russell Mid Cap Index for Mid Cap Free Cash Flow strategy.

Our Free Cash Flow Value equity investment analysis begins with a proprietary screening process. This process seeks to identify companies with specific characteristics, including but not limited to Low Price to Operating Cash Flow, Low Price to Free Cash Flow, Low Enterprise Value to Free Cash Flow, Low Total Debt-to-Equity and Strong Debt Coverage. Upon the completion of this screening process extensive fundamental research is performed on each prospective investment and seeks to offer a comprehensive assessment of the security's long-term investment potential.

While Systematic utilizes publicly available third-party databases and "Wall Street" research as inputs to it investment process, portfolio decisions for our Free Cash Flow Value equity discipline are primarily driven by in-house fundamental, "bottom-up" company specific research efforts. Our portfolio managers and analysts typically perform their own independent fundamental research, which may involve financial statement analysis, meetings with company management interaction, gathering and interpreting information from industry sources, including competitors, suppliers and customers, and performing comprehensive valuation assessment.

As previously mentioned, from time to time, Systematic's Free Cash Flow discipline invests in ADRs and foreign securities traded on U.S. exchanges. However, we generally limit the portfolios' exposure to these securities. For this purpose, any security that is a Russell 3000 Index constituent shall not be considered a security of a foreign company, regardless of the issuer's domicile or headquarters, and, as such, is not considered part of the relevant portfolio's ADR and foreign exposure.

Risks Related to Investing

The investment strategies utilized by Systematic carry different levels of risk. In each strategy, all securities include a risk of loss of principal and any profits that have not been realized. The stock markets, bond markets, and derivatives markets fluctuate substantially over time and, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets the Firm manages on our clients' behalf, and such a loss may be out of our control. We cannot guarantee any level of performance and cannot guarantee that our clients will not experience a loss of their account assets. Each of Systematic's strategies has the potential for the clients' assets to decline in value.

The risks inherent in our investment strategies and styles are primarily the risks of equity investing. These risks include, but are not limited to:

- General Equity Market Risk: The values of, and/or the income generated by, securities held by a portfolio may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments. Political, geopolitical, natural and other events, including war, terrorism, trade disputes, government shutdowns, market closures, natural and environmental disasters, epidemics, pandemics, and other public health crises and related events have led, and in the future may lead, to economic uncertainty, decreased economic activity, increased market volatility and other disruptive effects on U.S. and global economies and markets. Such events may have significant adverse direct or indirect effects on a portfolio and its investments. In addition, economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.

- Stock-specific/Company-specific Risks: Stocks may be volatile – their prices may go up and down dramatically over the shorter term. These price movements may result from factors affecting individual companies (e.g., quality of management risk, reputational risk, price per share risk, and product development risk), industries, and the securities market as a whole or the overall economy. Because the stocks a portfolio holds fluctuate in price, the value of the client's portfolio will go up and down.
- Portfolio selection risk: The value of your portfolio may decrease if the investment manager's judgment about the attractiveness, quality, value or market trends affecting a particular security, industry or sector is incorrect.
- Portfolio concentration risk: A portfolio may be adversely affected if there is a concentration of one type of industry or sector in the portfolio, and that particular industry or sector performs poorly.
- Volatility of returns (standard deviation): Volatility is the variation of stock prices related to the return of the overall portfolio. Standard deviation is a statistical measure of the range of a portfolio's performance. A high standard deviation suggests a wider range of returns and indicates that there is a greater potential for volatility with the portfolio.
- Sector risk: Companies that are in similar industry sectors may be similarly affected by particular economic or market events. To the extent an account has substantial holdings within a particular sector, the risks associated with that sector increase.

In addition, some of the specific risks to which client assets may be susceptible, depending on account strategy, are as follows:

- Value stock risk: Value stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Value stocks tend to be inexpensive relative to their earnings or assets compared to other types of stocks. However, value stocks can continue to be inexpensive for long periods of time and may not ever realize their full value.
- Small- or medium-sized companies: Investing in small- and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies, particularly developing companies, generally are subject to more volatility in price than larger company securities. Among the reasons for the greater potential for price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, and the great sensitivity of smaller companies to changing economic conditions. Smaller companies often have limited product lines, markets, or financial resources and their management may lack depth and experience. Such companies usually do not pay significant dividends that could cushion returns in a falling market.
- Liquidity risk: Liquidity risk exists when particular investments are difficult to sell. Although most of a portfolio's securities are generally liquid at the time of investment, securities may become illiquid after purchase by the portfolio, such as during periods of

market turmoil. When a portfolio holds illiquid investments, the portfolio may be harder to value, especially in changing markets, and if a portfolio is forced to sell these investments to meet redemptions or for other cash needs, the portfolio may suffer a loss. In addition, when illiquidity in the market exists for certain securities, a portfolio, due to limitations on the investments in illiquid securities, may be unable to achieve its desired level of exposure to a certain sector.

- Focused investing risk: Focusing investments in a small number of issuers increases risk. A focused portfolio may be more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be. A focused portfolio's performance may be more volatile than a portfolio that holds a greater variety of securities.
- Real Estate Investment Trusts (REITs) risk: Equity REITs can be affected by any changes in the value of the properties owned. A REIT's performance depends on the types and locations of the properties it owns and on how well it manages those properties or loan financings. A decline in rental income could occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management. A REIT's performance also depends on the company's ability to finance property purchases and renovations and manage its cash flows. Because REITs are typically invested in a number of projects or in a particular market segment, they are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. Loss of status as a qualified REIT or changes in the treatment of REITs under the federal tax law, could adversely affect the value of a particular REIT or the market for REITs as a whole.
- Foreign securities risk: Investments in foreign securities, including foreign securities represented by American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and foreign securities trading on US stock exchanges involve risks relating to political, social and economic developments abroad, as well as risk resulting from the differences between the regulations to which U.S. and foreign issuer markets are subject. These risks include, without limitation: different accounting and reporting practices, less information available to the public, less (or different) regulations of securities markets, more complex business negotiations, less liquidity, more fluctuations in prices, delays in settling foreign securities transactions, higher costs for holding shares (custodial fees), higher transactions costs, vulnerability to seizure and taxes, political or financial stability and smaller markets, and different market trading days.
- Counterparty risk: Systematic may enter into transactions with counterparties (including prime brokers) on the behalf of client accounts. A client account is subject to the risk that counterparty may be unable to fulfill its contractual obligations, whether due to insolvency, bankruptcy or other causes.

Other Risks to Consider

- Cybersecurity Risk: With the increased use of technologies to conduct business, Systematic is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber incidents impacting Systematic have the ability to cause disruptions and impact business operations, potentially resulting in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties or reputational damage. While Systematic has established a business continuity plan and risk management systems intended to identify and mitigate cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, Systematic cannot control the cybersecurity plans and systems put in place by third party service providers and issuers in which client portfolios invest. Clients could be negatively impacted as a result.

- Catastrophic Event Risk: Catastrophic events and disasters such as epidemics, weather-related incidents (e.g., hurricanes, floods, etc.), or man-made tragedies including wars, terrorism, civil unrest, and the like, may disrupt our business. A disruption or failure of our systems or operations in the event of a natural disaster, health crisis or pandemic within our workforce, or other catastrophic event could cause delays in performing critical functions of our business. Any of these events could severely affect economic and market events and our ability to conduct normal investment and business operations. As a result, our operating results could be adversely affected. There may also be secondary impacts that are unforeseeable as well, such as impacts to key service providers or intermediaries, which could cause delays or disruptions to our operations. Although we have disaster recovery and business continuity programs in place, there can be no assurance that these will be sufficient to mitigate the harm that may result from such disasters or disruptions. If we fail to keep business continuity plans up-to-date or if such plans, including secure back-up facilities and systems, are improperly implemented or deployed during a disruption, our ability to operate could be adversely impacted or our ability to comply with regulatory obligations leading to reputational harm, regulatory fines and sanctions. In addition, insurance and other safeguards might only partially reimburse us for our losses.
- Conflicts of Interest Risk: Various conflicts of interest are discussed throughout this disclosure document, as we are subject to various conflicts of interest in the ordinary course of our business. We strive to identify potential risks, including conflicts of interest, which are inherent in our business. When actual or potential conflicts of interest are identified, we seek to address such conflicts through one or more of the following methods: elimination of the conflict, disclosure or the conflict, or management of the conflict through the adoption of appropriate policies and procedures. To that end, we have adopted and implemented several policies and procedures, including, but not limited to, a code of ethics, trade allocation policies, and supervisory procedures to assess compliance with our policies. However, our policies and procedures may not detect every instance in which a conflict may arise and/or enable us to prevent the conflict from arising.

Risk Mitigation

We generally monitor portfolio risk through performance attribution software, as well as portfolio risk management software. These systems assist our review of the risks embedded in our accounts as they relate to position size, sector/industry weightings (both absolute and benchmark relative), market capitalization, and fundamental (e.g., valuation, momentum) and technical factors (e.g., beta, relative strength). We monitor such risk on a regular basis in order to understand how our accounts are positioned, as well as explain relative performance differences versus the benchmark.

The portfolio managers and Systematic's Compliance department review account activity to determine that internal and client guidelines are followed. Client guidelines are typically received before an account is traded and are reviewed by the portfolio manager and Compliance for any inconsistencies with our strategy and for any clarification that may be needed. If a client wishes to establish reasonable restrictions for its account, Systematic typically employs a process to facilitate compliance whereby these restrictions are entered into a third-party pre- and post-trade portfolio compliance monitoring software solution. This system interfaces with the portfolio accounting and trade order management systems, thus supporting client guideline adherence and notification of potential breaches. This system combines pre-trade compliance with post-trade monitoring capabilities to facilitate pre-trade compliance with both static guidelines (restrictions that apply directly to specific stocks) and dynamic guidelines such as those that restrict investments relative to an industry, sector or benchmark weighting. Additionally, portfolio managers review the accounts on a regular basis. to determine that they are being managed consistent with the accounts' mandate and specific guidelines, where applicable.

Our Free Cash Flow Style investment discipline strives to measure and manage company specific risk, and equity market risk in general through the fundamental (bottom-up stock specific) research process. The primary goal of our research efforts is not only to identify securities that we believe have upside potential, but also to reduce the risk of loss by purchasing companies with good cash flows and limited debt at a valuation discount. Our efforts to reduce the risk of loss in this regard are also significant because we generally employ a fully invested strategy, with cash typically less than 10% of an account. As a result, cash is not a primary risk management tool.

All of our investment strategies also manage company specific risk through diversification of our portfolios. With the exception of focused portfolios, individual security positions are generally limited to a maximum of 5% of portfolio assets at market value. The actual stock weighting for each security is determined by the portfolio manager and based on a variety of factors such as: liquidity, market, capitalization, sector, alternative options, and the confidence level and conviction of the portfolio manager.

Portfolio concentration risk is further addressed through diversification by sector and industry. These exposures are regularly monitored through a variety of systems. The actual weighting for each sector is determined by the portfolio manager and based on a variety of factors such as: relative weight of the sector in the overall benchmark; market, sector, and industry trends; and the confidence level and conviction of the portfolio manager. Volatility of returns is also typically measured and compared to the relevant benchmark to determine that it is reasonable in light of the returns produced relative to the benchmark.

Furthermore, the Firm maintains a business continuity and disaster recovery plan (Systematic's Business Continuity Plan) to facilitate the Firm's efforts to operate/function for our clients in extreme situations. Systematic's Business Continuity Plan is specifically designed with a goal of enabling the Firm, during extreme situations, to resume and maintain our portfolio management responsibilities and other critical business operations, safeguard our employees and firm property, protect the Firm's books and records, and allow clients to communicate and transact business with us in an effective manner, notwithstanding any adverse conditions associated with such extreme situations. In furtherance of the effectiveness of the Firm's Business Continuity plan, the Firm performs routine testing.

Item 9 – Disciplinary Information

There are no applicable legal or disciplinary events relating to Systematic.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliations

As noted in Item 4 – Advisory Business," Systematic is an indirect, wholly-owned affiliate of AMG, a publicly traded asset management company (NYSE: AMG) with equity investments in a number of boutique investment management firms. AMG also holds equity interests in certain other AMG Affiliates. AMG does not have any role in the day-to-day management of Systematic. Each of the AMG Affiliates, including Systematic, operates autonomously and independently of AMG and each other. Except as described in this Brochure, Systematic does not have any business dealings with these AMG Affiliates and does not conduct any joint operations with them. Systematic carries out its asset management activity, including the exercise of investment discretion and voting rights independent of the AMG Affiliates. The AMG Affiliates do not formulate advice for Systematic's clients, and do not, in Systematic's view, present any potential conflict of interest for Systematic with respect to our clients. More information regarding AMG, including its public filings and a list of all AMG Affiliates, is available at www.amg.com.

Systematic has marketing and client servicing agreements with AMG Funds LLC ("AMG Funds"), a wholly owned subsidiary of AMG under which AMG Funds markets Systematic's investment management services to unaffiliated third-party intermediaries that sponsor sub-advised mutual funds and/or other platforms, such as defined contribution retirement plan platforms. Systematic pays AMG Funds a fee for these services.

Additionally, Systematic is party to client service/marketing agreements with subsidiaries of AMG under which the AMG subsidiaries market Systematic's investment services to clients and provide client services to the Firm's clients in various foreign jurisdictions. Depending on the foreign jurisdiction, the AMG subsidiaries may be registered or exempt from registration, as appropriate, with the relevant foreign financial regulatory authorities. Systematic pays the AMG subsidiaries a fee for these services.

Other Financial Activities

Systematic is not registered, nor has an application pending to register, as a broker/dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

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

Systematic has established various internal controls and procedures designed to address potential conflicts of interest arising between client accounts and Systematic and its personnel.

Code of Ethics

As a registered investment adviser, Systematic has a fiduciary duty to its clients, and accordingly has adopted a Code of Ethics (the "Code") that applies to all employees. The Code describes the standard of conduct Systematic requires of all employees and sets forth restrictions on certain activities, including personal trading in accounts owned, managed, or beneficially owned by the employees. The Code addresses general principles regarding ethics, compliance with federal securities laws, personal trading, gifts and entertainment, treatment of confidential information, the prohibition against the use of inside information, and other situations giving rise to potential conflicts of interest. The Code also requires employees to report any Code violations promptly to the Chief Compliance Officer. By setting forth the regulatory and ethical standards to which Systematic's employees must adhere, the Code supports our efforts to promote a high level of professional ethical conduct in furtherance of our fiduciary duty to our clients.

In addition, while Systematic personnel do not actively seek material, non-public information, they may inadvertently receive it. The Firm's Code of Ethics addresses related policies and procedures to be followed by employees to assist them in understanding, among other things, the issues surrounding the receipt of material, non-public information and actions to be taken to prevent unlawful trading or the appearance of unlawful trading.

Personal Trading

Among other things, the Code limits and monitors the personal trading activity of our employees, including members of our employees' households. These limitations seek to further Systematic's efforts to prevent employees from personally benefiting from Systematic's investment decisions for its clients and/or any short-term market effects of Systematic's recommendations to clients. Specifically, the Code prohibits the purchase of common and preferred stock, as well as the purchase of IPOs (including those of convertible securities). The Code also requires employees and certain members of their households to obtain pre-approval of certain transactions, as well as to submit personal securities reporting, initial and annual holdings reporting. In addition, the Code prohibits such persons from trading in securities during specific periods of time when they are on a list of those being considered for purchase or sale by the Firm for our clients' accounts (i.e., "blackout periods"). Limitations also exist for such persons on the participation in private placements. These restrictions and requirements of the Code apply to all accounts over which employees have investment discretion, or in which they have a direct or indirect beneficial ownership interest.

In some instances, an employee may rely on an exception to the reporting of personal securities holdings and transaction reporting requirements when the employee's securities are held in an account over which he or she has "no direct or indirect influence or control." However, this exception is subject to the terms and requirements set forth in the Firm's Code.

Participation or Interest in Client Transactions

Systematic generally does not purchase or sell securities for its own account. However, as mentioned in "Item 6 – Performance Based Fees and Side-by-Side Management," Systematic serves as sub-adviser to mutual funds which are available to employees for their personal investment, including, in certain cases, through Systematic's 401(k) investment plan. These funds may hold, purchase, or sell the same securities in which clients have interests. Systematic may also recommend these funds to clients. We may also have an incentive to favor these funds when allocating investment opportunities.

When managing the assets of these funds, we have an affirmative duty to treat all client accounts fairly and equitably over time. Accordingly, Systematic has implemented a series of controls in effort to mitigate these conflicts as described in "Item 6 – Performance-Based Fees and Side-by-Side Management," and the "Trade Aggregation" sub-section of "Item 12 – Brokerage Practices" of this Brochure.

In addition, due to the nature of our clientele, Systematic may, from time to time, trade in securities issued by our clients. In all such instances, Systematic will do so in what we believe to be in the best interest of its clients who are trading in such securities. Systematic will not, under any circumstances, consider a security issuer's status as a client of the Firm when determining to trade in that issuer's security on behalf of other client accounts.

Insider Trading/Material Non-Public Information

Systematic's Code includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by an officer or employee of Systematic. Should an employee receive potentially material non-public information, the Code requires that he or she immediately report such receipt to the Chief Compliance Officer and refrain from sharing the information with other employees or third parties.

In accordance with these policies, to prevent trading of public securities based on material, non-public information, Systematic, from time to time, maintains a "restricted list" that identifies any securities that cannot be purchased for accounts because material, non-public information may have been received by an employee of the Firm. The issuers named on this restricted list are typically coded as "prohibited" in Systematic's trading and portfolio compliance system, thus blocking Systematic from trading in these securities without the consent of Systematic's Chief Compliance Officer.

In addition to the Insider Trading Policy imposed by Systematic's Code, all employees of Systematic are subject to the AMG's Insider Trading Policy and Procedures (the "AMG Insider Trading Policy"). The AMG Insider Trading Policy broadly prohibits the use of material, non-public information, and also imposes restrictions on the trading of AMG's stock.

Gifts and Business Entertainment

Systematic has policies and procedures regarding giving or receiving gifts and business entertainment between the Firm's employees and certain third parties (e.g., vendors, broker/dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. In general, Systematic limits the number of gifts and business entertainment that may be provided by employees to these parties and requires the reporting and pre-approval of certain items by our Compliance Department. Systematic monitors for potential conflicts of interest with respect to individual instances of gifts or entertainment, as well as patterns over time, to prevent the interests of Systematic and its employees from being placed ahead of the interests of our clients.

As noted in "Item 10 - Other Financial Industry Activities and Affiliations" of this Brochure, certain employees of Systematic are also registered representatives of AMGDI and are subject to additional procedures and restrictions with respect to gifts and business entertainment activities.

Charitable Contributions and Event Sponsorships

Systematic may make charitable contributions or sponsor non-marketing events, including charities or events connected with current or former Systematic clients, their employees, or related parties or consultants. Most of these activities are non-profit or charitable organizations and are made in response to requests from clients or their personnel. Systematic has adopted policies and procedures that include management approval of such contributions and sponsorships. Policies and procedures relating to these activities are administered by Systematic's Compliance Department in order to mitigate the possibility of actual or potential conflicts of interest.

Political Contributions

In an effort to mitigate potential conflicts of interest, Systematic prohibits its employees from making political contributions on behalf of the Firm or from being reimbursed for personal political contributions, or from making political contributions for the purpose of securing or retaining business. Additionally, Systematic maintains policies and procedures that set forth limitations as to whom employees may make personal contributions and the amounts of such contributions, as well as preclearance requirements for certain political contributions and campaign-related volunteering activities.

Distribution of Code

All of our employees are provided with a copy of our Code at the time of hire and thereafter quarterly and at the time of an amendment. Each employee must affirm that they have received a copy of the Code, and that they have read and understand its provisions. Additionally, we conduct periodic compliance training that addresses the requirements of the Code and the other policies described in this Item. A copy of Systematic's Code is also available to clients or prospective clients upon request and may be obtained by contacting Systematic using the contact information on the cover page of this Brochure.

Item 12 – Brokerage Practices

Generally, Systematic is retained on a discretionary basis and is authorized to determine and direct execution of portfolio transactions within the client's specified investment strategy. Some clients limit Systematic's authority in terms of Systematic's ability to execute trades or select broker/dealers in favor of their own trading preferences or brokerage arrangements. Systematic has a fiduciary duty to seek best execution, and to ensure that trades are allocated fairly and equitably among clients over time.

Brokerage Relationships

Systematic's relationships with broker/dealers, particularly those affiliated with large financial services organizations, are complex. Systematic uses various broker/dealers to execute trades on behalf of clients, but Systematic may also have many other relationships with such firms. For example:

- Systematic may invest client assets in securities issued by broker/dealers or their affiliates;
- Systematic may provide investment management services to certain broker/dealers or their affiliates;
- Certain broker/dealers may provide both internally generated and third-party research to Systematic, as part of a bundled service; and
- Certain brokers/dealers may refer clients to Systematic.

Notwithstanding such relationships or business dealings with these broker/dealers, Systematic has a fiduciary duty to its clients to seek best execution when trading with these firms and has implemented policies and procedures to monitor its efforts in this regard as described further below.

Best Execution – Selection Factors for Broker/Dealers

As noted above, Systematic has a duty to seek best execution of transactions for client accounts. "Best execution" is generally understood to mean the execution of portfolio transactions at prices and, if applicable, commissions which provide the most favorable cost or net proceeds reasonably obtainable under the circumstances. In seeking best execution, Systematic looks for the most favorable combination of transaction price, quality of execution (such as the speed of execution and the likelihood the trade will be executed) and other valuable services that an executing broker/dealer may provide.

Clients typically grant Systematic the authority to select the broker/dealer to be used for the purchase or sale of securities. Transactions in equity securities are typically executed through broker/dealers that act as agent and receive a commission paid by the client account for which the transaction was executed. In seeking best execution, Systematic will select broker/dealers based on a number of factors, which may include, but are not limited to, the following:

- Price;
- Commission rate;
- Order size;
- Access to liquidity;
- Expertise in handling particular securities, geographic regions or exchanges;
- Trading infrastructure, such as access to trading algorithms or trading networks;
- Ability to provide efficient execution and work orders over time or pursuant to our direction;
- Financial soundness of the broker/dealer;
- Ability to effectively and efficiently execute, report, clear, and settle the order;
- Provision of research services in connection with soft dollar arrangements (explained in more detail in the "Soft Dollars" sub-section of this Item 12 below);
- Client directed guidelines; and
- Similar factors.

Systematic does not consider any client referrals from a broker/dealer when determining best execution, or when placing client trades.

Recognizing the value of these factors, Systematic may select a broker/dealer that charges a commission in excess of that which another broker/dealer might have charged for effecting the same transaction. Systematic is not obligated to choose the broker/dealer offering the lowest available commission rate if, in Systematic's reasonable judgment, the total cost or proceeds from the transaction may be less favorable than what may be obtained elsewhere or if a higher commission is justified by the service and/or research provided by another broker/dealer.

When selecting trading venues on which to execute an order, Systematic generally considers whether it has viable options among trading venues, such as different markets or trading systems. If options exist, Systematic may consider executing part or all of the trade order using an Alternative Trading System ("ATS"). These systems may reduce the role of market makers and can assist buyers and sellers in dealing directly with each other, thereby increasing market anonymity. ATSs may also offer limited market impact, lower commissions, and protection of proprietary information with respect to relatively liquid securities. At times, however, these systems may also present certain limitations. In certain trading circumstances, given time constraints, priority trading needs, lack of liquidity, or other conditions, use of such ATSs may be impractical. Systematic is not required to use alternative trading systems in any particular circumstances.

Systematic has implemented a series of internal controls and procedures to address the conflicts of interest associated with its brokerage practices. To determine that it is receiving best execution for its transactions over time, Systematic will obtain information as to the general level of commission rates being charged by the brokerage community, from time to time, and will periodically evaluate the overall reasonableness of brokerage commissions paid on client transactions by reference to such data. To the extent Systematic has been paying higher commission rates for its transactions, Systematic will determine if the quality of execution and the services provided by the broker/dealer justify these higher commissions.

Systematic's Commission Review Committee generally meets monthly to review brokers' servicing ability, operational support, execution, quality of research ideas, and commission rates. Representatives of Compliance, Trading, and the Investment team are included in this meeting. Concerns raised at the Commission Review Committee may also be brought to the attention of the Management Committee and the Chief Compliance Officer to facilitate resolution.

Systematic receives and reviews trade cost analysis reports prepared by a third-party. Systematic may cease to do business with certain exchange members, brokers, or dealers whose performance may not have been competitive or may demand that such persons improve their performance before receiving any further orders. Systematic also regularly monitors changes in market conditions and the availability of new or alternative methods for executing transactions.

Systematic receives a discount from its trade order management system provider that is based on the number of broker/dealers with FIX connections to the trade order management system. This discount may provide an incentive for Systematic to use a higher number of broker/dealers to execute client transactions. Systematic, however, does not consider this discount as a factor when selecting brokers to execute transactions on behalf of its clients. See above for additional details on Systematic's best execution policy and controls.

SMA and UMA Wrap Fee Programs

For discretionary SMA wrap fee programs, we typically place all transactions for with the sponsor of the program or the broker/dealer designated by the sponsor (or, in some dual contract situations, the client). We do not negotiate commission rates for these clients because the commissions are included in the overall fees charged by the sponsor or are negotiated by the client with the sponsor. If we were to place trades for wrap fee program clients away from the sponsor, the costs associated with such transactions would typically be paid by the wrap program clients in addition to the wrap program fee.

For UMA wrap fee programs (or other non-discretionary client relationships), we do not place trades for such programs (or accounts), but rather, provide a model portfolio to be used by the recipient to implement trades at the recipient's discretion.

Accordingly, participants in discretionary SMA and non-discretionary UMA wrap fee programs (or other investors that use our non-discretionary models) should satisfy themselves that the sponsors or designated broker/dealers are able to meet their needs.

Directed Brokerage

Systematic does not recommend, request or require its clients to direct the use a specified broker/dealer for portfolio transactions in their accounts.

However, in some cases, clients have directed Systematic to use specified broker/dealers for portfolio transactions in their accounts. In these cases, Systematic will seek on a best-efforts basis, to meet the client's directed brokerage target rates or dollar volumes, subject to our obligation to seek best execution on all transactions. In designating the use of a particular broker/dealer, the client must understand:

- Systematic will not evaluate the client's selected broker/dealer.
- Systematic is not obligated to, and will generally not, solicit competitive bids for each transaction or seek the lowest commission rates for the client, as the commission rates have typically been pre-negotiated between the client and the designated broker/dealer ("directed broker") and Systematic is unable to supersede the terms of that agreement.
- Since Systematic has not negotiated the commission rate and may not be able to obtain volume discounts, the commission rate charged by the directed broker may be higher than what Systematic could receive from another broker/dealer.
- In addition, the client may be unable to obtain the most favorable price on transactions executed by Systematic as a result of Systematic's inability to aggregate/bunch the trades from this account with other client trades.
- Furthermore, the client may not be able to participate in the allocation of a security of limited availability (such as an initial public offering).

Under circumstances in which the broker is designated by the client, execution costs for those transactions are not charged to clients on a pro rata basis; rather, each client is charged a commission based on the rates agreed to between the client and the broker. There may be a disparity in commission rates charged to these clients and their accounts may experience performance and other differences from other similarly managed accounts. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker/dealers at lower costs and possibly with more favorable execution.

When the portfolio manager places orders to purchase or sell securities that are held in both institutional and SMA/UMA wrap accounts, our traders are responsible for developing trading strategies for each order that are fair to all participating clients and expected to yield the best available execution quality. Systematic's trading desk places orders on behalf of all client portfolios, excluding retail sponsor model-based portfolios which are placed by the sponsoring platform's broker/dealer. Systematic manages varying client profiles, large institutional client portfolios with asset sizes typically ranging from tens to multiple hundreds of millions of dollars and retail wrap client accounts typically valued at ranges from $100K to $2million. Applying institutional account trade execution strategies to smaller retail oriented (UMA/SMA) client portfolios may not be in the best interest of these smaller asset sized clients.

For example, legging into or out of a stock (buying or selling a small number of shares or percentage increments of a potentially larger order via multiple orders over a potentially extended period of time) is commonly utilized when implementing small cap stock investment decisions. This is an effective strategy for larger institutional accounts trading hundreds or thousands of shares at a time but applying the same strategy to smaller retail accounts typically results in numerous miniscule executions. In Systematic's view, this is neither practical nor is it cost effective for retail client portfolios. Consequently, Systematic will typically commence building (or liquidating) a position for its institutional client portfolios, often completing one-third to two-thirds of the overall anticipated target weight, then execute retail client orders usually completing 100% of the targeted position weight, and then return to completing the remainder of the institutional client account executions. Factors such as price volatility could alter this overall execution methodology and extended periods of time could pass before re-entering the market for either or both client portfolio types. As a result, temporary or longer-term price volatility or other market conditions prevailing at the time or over time, may cause the PM may adjust target positions and weighting determinations such that institutional and retail client portfolios may not have the same weighting in a particular security. While this practice is intended to achieve fairness over time among executions for all client portfolios, it may result in a delay in the placement and execution of SMA/UMA account orders with their corresponding sponsor brokers relative to institutional orders. Systematic's traders communicate with portfolio managers on an ongoing basis in an effort to reduce market impact and typically seek to avoid competing against retail SMA sponsor brokers for available liquidity. While the trading methodology described above represents Systematic's most common order placement strategy, the PM and traders may deviate from this strategy when they agree that a different approach is fair to all participating clients and expected to provide best execution.

While non-directed, fully discretionary trading accounts generally trade first, circumstances may exist which could cause Directed retail client accounts to trade in advance of the Non-directed client accounts. Factors driving the decision-making process may include current and/or desired cash levels, sector and industry exposures, and as noted above available liquidity.

Step-Outs

Step-out trades are transactions which are placed at one broker/dealer and then "given up" or "stepped out" by that broker/dealer to another broker/dealer for credit. As a general rule, Systematic does not request that broker/dealers "step-out" all or part of the trade to another broker/dealer for the purpose of securing research or other non-brokerage services. Systematic may, however, direct the executing broker to assign all or a portion of a trade to the client's directed broker for clearance and settlement in order to accommodate client directed brokerage arrangements. In this scenario, the executing broker will typically credit the trade to the clearing and settling broker so that the client may receive the benefit of direction. In circumstances where Systematic has followed the client's instructions to direct brokerage, there can be no assurance that Systematic will be able to assign the trades to the directed broker, or, if it is able to assign the trades, that it will be able to obtain more favorable execution than if it had not assigned the trades.

Cross Trades

Systematic does not engage in cross trades in its client accounts. From time to time, Systematic may execute orders for the same security on opposite sides of the market for accounts in a manner designed to provide adequate market exposure to both orders. This situation may occur when Systematic is buying securities for one account following a client contribution, while selling securities for another client account following a client withdrawal. Systematic generally places such orders with different broker/dealers but may also use alternative trading systems such as electronic communications networks ("ATSs") if Systematic determines that such venues offer adequate market exposure. Systematic may also purchase securities from a broker-dealer to whom it has recently sold the same securities when Systematic believes that doing so is consistent with seeking best execution, particularly where that broker-dealer is one of a limited number of broker-dealers who hold or deal in those securities and/or where inventory is limited. Systematic does not consider these types of opposing orders to be cross trades so long as they are separate and independent transactions.

Liquidity Rebates

In selecting broker/dealers to execute transactions for the accounts we manage, Systematic does not consider any "liquidity rebates" that may be available to those broker/dealers. Broker/dealers may earn "liquidity rebates" (i.e., a certain cash rebate) when placing orders in certain market centers while trading on behalf of Systematic. However, Systematic chooses broker/dealers based on our policy of seeking best execution, which is determined by several quantitative and qualitative factors. It is against Systematic's policy to take into consideration a broker/dealer's potential to earn liquidity rebates when deciding whether to choose a particular full-service broker/dealer.

Soft Dollars

At times, Systematic directs certain transactions for execution to certain broker/dealers in recognition of brokerage and research services provided by those broker/dealers and/or other third-party providers. The practice of obtaining research in this manner is referred to as using "soft dollars." Systematic facilitates its use of soft dollars through commission sharing arrangements ("CSAs") and/or "full service" broker/dealers offering "bundled" services. The products and services provided are either proprietary (created and provided by the broker/dealer, including tangible research products, as well as, for example, access to company management or broker/dealer generated research reports) or third-party (created by the third-party, but provided by the broker/dealers), and, may include, investment research (either directly or through publications or reports) as to the value of securities, the advisability of investing in, purchasing, or selling securities, the availability of securities or purchasers or sellers of securities, presentation of special situations and trading opportunities, advice concerning trading strategy, and analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, and the performance of specific strategies. This practice of generating and using soft dollars generally causes clients to pay a broker/dealer a commission rate higher than a broker/dealer would charge for execution only services.

In the allocation of brokerage, Systematic may give preference to those broker/dealers that provide research products and services, either directly or indirectly, so long as Systematic believes that the selection of a particular broker/dealer is consistent with Systematic's duty to seek best execution. To the extent that Systematic is able to obtain such products and services through the use of clients' commission dollars, it reduces the need to produce the same research internally or through outside providers for hard dollars and thus provides an economic benefit to Systematic and its clients. As an example, Systematic has received research services relating to data used by the investment team for attribution analysis and risk control purposes; software that has substantial data, alpha and risk models and the ability to track news events on portfolios, and industry- specific information, which Systematic has found useful in its research process. Systematic may have an incentive to select a broker/dealer in order to receive such products and services whether or not the client receives best execution. On an ongoing basis, Systematic monitors the research and brokerage services received to ensure that the services received are reasonable in relation to the brokerage allocated.

Products and services which provide lawful and appropriate assistance to Systematic's investment decision-making process may be paid for with commissions generated by client accounts to the extent such products and services were used in that process. Systematic allocates the cost of such products on a basis that it deems reasonable over time according to the various uses of the product and maintains records to document this allocation process. Systematic does not, as a matter of practice, employ step-out transactions for the purpose of securing such products and services.

Systematic uses CSAs, under which certain broker-dealers allocate a percentage of commissions generated by Systematic's trades with the broker-dealer to a pool of soft dollars. Systematic may then use the commissions from this pool to obtain 28(e) eligible products or services provided by the broker/dealer ("proprietary research") or direct compensation from the pool to third-party service providers, which may or may not be broker-dealers.

Through these pooled CSA structures, Systematic could conclude that if a broker dealer does not meet its requirements in terms of execution capabilities, yet provides valuable research, it could terminate any execution relationship and pay for the research from the pool maintained by another broker/dealer. The CSAs enable Systematic to work more closely with certain key broker/dealers and limit the broker/dealers with whom it trades, while still maintaining research relationships with broker/dealers that provide Systematic with research and research services.

Systematic participates in Commission Sharing Arrangement (CSA) Aggregation Programs offered by CSA brokers. Under such an aggregation program, the CSA aggregator collects CSA credit balances from designated CSA brokers, administers all, or a portion, of Systematic's third-party CSA soft dollar invoice payments, and performs other administrative services, such as monthly trade and commission credit reconciliations to ensure CSA brokers both accurately record and transfer soft dollar credit balances to Systematic's CSA Aggregation Program account.

Systematic also receives unsolicited proprietary research from broker/dealers through which it trades. Proprietary research of this nature is generally part of a "bundle" of brokerage and research and is not separately priced. Any research received is used to service all clients to which it is applicable. Systematic executes trade orders with broker/dealers on the basis of best execution as described above, without consideration of any unsolicited research services that it may receive. Systematic makes no attempts to link the acquisition of unsolicited research with any particular client transactions.

In addition, Systematic also receives services which, based on their use, are only partially paid for through soft dollars. Any such service is considered "mixed-use" because it is used by Systematic for both research or brokerage and non-research, non-brokerage purposes, such as for administration or marketing. In each such case, Systematic makes a good faith determination of which portion of the service should be paid for with soft dollars and which portion should be paid for with hard dollars. Systematic allocates the cost of the products on a basis which it deemed reasonable according to the various uses of the product. Only that portion of the cost of the product allocable to research services would be paid with the brokerage commissions generated by fiduciary accounts and the non-research portion will be paid in cash by Systematic. Systematic retains documentation of the soft to hard dollar allocation for mixed-use items and periodically reviews this allocation.

Systematic uses the research products/services provided by broker/dealers through its soft dollar arrangements in formulating investment advice for any and all clients' accounts, including accounts other than those that paid commissions to the broker/dealers on a particular transaction. As a result, not all research generated by a particular client's trade will benefit that particular client's account. In some instances, the other accounts benefited may include accounts for which the accounts' owners have directed their portion of brokerage commissions to go to particular broker/dealers other than those that provided the research products/services. However, research services obtained through soft dollar transactions may be used in advising all accounts, and not all such services would necessarily be used by Systematic in connection with the specific account that paid commissions to the broker/dealer providing such services. From time to time, certain clients may request that Systematic not generate soft dollar credits on trades executed for their accounts. While Systematic may accommodate such requests in its discretion, trades for these clients generally do not experience lower transaction costs. In addition, the trading process for these clients may be adversely affected in other ways, including that the client may not participate in aggregated orders with clients that have not made such a request, therefore preventing the client from receiving the price and execution benefits of the aggregated order. In addition, and as with other directed or customized brokerage arrangements, the positions of these accounts in trade ordering and trade rotation may be impacted. Please see the "Directed Brokerage" sub-section above for more information on how customized brokerage arrangements may adversely impact trading results. Systematic reserves the right to reject or limit client requests of this type, and clients may be charged a premium for such arrangements.

As noted previously, Systematic maintains a series of internal controls and procedures relating to its brokerage practices, including its use of soft dollars. These controls and procedures are designed to mitigate the potential conflicts of interest described in this Item. Systematic also periodically reviews the past performance of broker/dealers with whom it has been placing orders in light of a number of factors, including soft dollars. For a discussion of the controls related to brokerage practices and Systematic's evaluation of brokers, please see the "Best Execution" sub-section above.

Trade Allocation and Aggregation

Systematic's trade allocation decisions are made among client accounts in an effort to ensure fair and equitable treatment of client accounts over time. Investment decisions are generally applied to all accounts utilizing that particular strategy, while also accounting for varying client circumstances, including specific client objectives and preferences, instructions, restrictions, account size, cash availability and current specific needs. When two or more accounts are simultaneously engaged in the purchase or sale of the same security, Systematic may, but is not obligated to, combine and aggregate the transactions to form a "bunched trade" or "block trade" in order to seek the most favorable execution and lower brokerage commissions in such manner as Systematic deems equitable and fair to the clients. As a general rule, these accounts will receive the average price of the transactions in that security for the day. Trades in the same security for different accounts will be accumulated for a reasonable period of time to allow for aggregation, unless a particular account's interest would be unduly prejudiced. Systematic may, but is not required to, aggregate orders into block trades where Systematic believes this is to be appropriate, in the best interests of the client accounts, and consistent with applicable legal requirements. Transactions executed in a block will typically be allocated to the participating client accounts before the close of the business day. Systematic, when rebalancing individual accounts, may or may not have an opportunity to aggregate or "bunch" trades with other client accounts; thus, there may be disparity in price or commissions among clients.

Since more than one account's orders are included in a block trade, Systematic has adopted a policy of using a "pro rata allocation" to allocate the trade among each account whose order makes up part of the block. Under a pro rata allocation, as securities are being purchased or sold as part of the block trade, the securities are being allocated to (or away from, in the case of a sale) accounts in the proportion by which each account's order size (as determined by the portfolio manager at the time of order entry) makes up a percentage of the entire block. Systematic's trade order management system is configured to default to pro-rata allocation of all trades among eligible accounts. In cases where Systematic is unable to fulfill a block trade the same day (i.e., purchase or sell all securities within the block trade), those securities that have been purchased or sold by the end of the day will generally be allocated pursuant to Systematic's pro rata allocation methodology. Systematic believes that, in most instances, a pro rata allocation of block trades will assure fairness. However, we also recognize that no rigid formula will necessarily lead to a fair and reasonable result, and that a degree of flexibility to adjust the formula to accommodate specific circumstances is necessary when determining how to allocate block trades. Therefore, under certain circumstances, allocation of block trades on a basis other than strictly pro rata may occur if we believe that such allocation is fair and reasonable. Nevertheless, all securities purchased or sold through a block trade, including expenses incurred in the transaction, will be allocated on a fair and equitable basis over time, to the extent practicable, without favoring any account or type of account or client (including any affiliated account). On a periodic basis, our portfolio managers and Compliance department personnel monitor the proportional amounts allocated to all portfolios to determine whether such allocations are fair and equitable over time.

The ability of a client account to participate with other accounts in bunched/block transactions may produce better execution for the individual client account. However, in some instances, a client may have designated a specific broker/dealer to whom the client's trades must be directed. (See the "Directed Brokerage" sub-section above.) This designated broker/dealer may not (or, in some cases, will not) execute bunched or block trades, and even if it does, Systematic may not be able to direct the entire block trade to this designated broker/dealer because it would conflict with Systematic's duty to obtain best execution. In such cases, since Systematic will place the client's trade with the designated broker/dealer as instructed rather than include the client's order in the block trade, the client may not necessarily obtain the most advantageous price and/or level of execution that those clients who participate in the block may receive.

Although Systematic generally seeks to allocate investment opportunities as fairly and equitably as possible over the long term, Systematic cannot assure the equal participation of every client in every investment opportunity or every transaction. Systematic may determine that a limited supply or demand for a particular opportunity or investment or other factors noted above may preclude the participation of some clients in a particular investment opportunity or trade.

Initial Public Offerings

An initial public offering is a company's first offer of stock for sale to the public. Depending on the interest in this initial offering, Systematic's access to these newly offered shares may be limited in amount at the time of the initial offering. In addition, client participation in any initial public offerings and other securities with limited availability (collectively, "IPOs") may also be limited because: not all clients are eligible to participate in every offering; the number of shares of each offering allotted to Systematic may be too small to permit meaningful participation by all clients that may be eligible to participate; and the number and nature of offerings generally may be dependent upon market or economic factors beyond the Firm's control.

IPOs typically do not qualify for the traditional value style portfolios managed by Systematic due to a lack of earnings and/or cash flows associated with new issuance. In the event that Systematic participates in any IPOs, Systematic allocates IPOs among accounts in a fair and equitable manner over time, taking into consideration factors such as account type, client account objectives and preference, investment restrictions, account sizes, cash availability, and current specific needs. Systematic generally seeks to ensure that over the long term, each eligible client with the same or similar investment objectives will receive an opportunity to participate in such offerings, subject to limitations noted above. Systematic typically allocates both IPOs and secondary offerings among participating strategies by order size, then on a pro rata basis among eligible accounts by account size, taking into consideration varying client circumstances. Systematic's wrap accounts and non-discretionary programs (or directed accounts) are generally not eligible for IPOs or secondary offerings.

Where the actual allocation of an IPO to Systematic for its accounts is significantly lower than that originally requested by Systematic, the original allocation proportions that we determined for our accounts may result in allocations that are not meaningful to certain accounts. In those situations, Systematic may allocate the securities received to significantly fewer accounts than originally intended. Those accounts chosen to receive the smaller allocations are selected based on a combination of factors, such as size, cash position, sector allocations, number of positions, diversification among similar companies, and minimization of custodian transaction costs to the client.

While Systematic's intention is to allocate similar proportional amounts of IPOs to all eligible accounts over time, using this methodology, some accounts may not receive small allocations. Portfolio managers and compliance personnel periodically monitor the allocations to client accounts and the dispersion of performance for accounts in an effort to ensure that all accounts are treated fairly and equitably over time. Please see "Item 6 – Performance-Based Fees and Side-by-Side Management" for a discussion of allocation controls.

IPOs are typically purchased at a fixed price and include an amount of compensation to the underwriter.

Trade Error Policy

Systematic has established a trade error correction policy which is designed to ensure that errors covered under the policy are identified and corrected promptly and in a manner that is fair and reasonable and in accordance with our fiduciary duties. In the event of a trade error attributable to Systematic, Systematic will determine the overall impact of the error and will consider market conditions, investment guidelines and objectives, and the level of deviation from prescribed practice. In this context and based on our judgment, Systematic will determine whether to reimburse the account directly or use an error account (described below) for such reimbursement, in accordance with the procedures appropriate for handling the error in question. Systematic's general policy is to place the client in the position it would have been in absent the error unless otherwise directed by the client.

Systematic may maintain a trade error account with certain broker/dealers. These accounts generally allow for netting of gains and losses relating to trade errors occurring with respect to the Firm's clients. Any net losses residing in these accounts typically require reimbursement from Systematic. Any net gains will typically accumulate to be used to offset future trade error losses (unless the brokerage program specifies that trading gains are required to be allocated to the client's account).

For further information on the treatment of errors and exceptions within our investment process, please refer to the "Risks Related to Investing" section of Item 8.

Item 13 – Review of Accounts

Systematic's portfolio managers generally review the assets of client accounts daily for portfolio strategy and asset allocation purposes. The portfolio managers and Systematic's Compliance Department also review portfolio activity to ensure internal and client-directed guidelines and restrictions are followed. Specifically, Systematic uses an automated portfolio compliance monitoring system with both pre-trade and post-trade monitoring capabilities to determine that accounts are being managed in accordance with guidelines. In addition, the Compliance staff uses manual monitoring procedures to confirm that accounts are managed in accordance with guidelines.

Systematic also performs reconciliations of its records of the securities and cash within its clients' accounts against the records of the custodians who actually hold the securities and cash. Typically, at least monthly, the Operations Department reconciles the cash balance, security holdings, and market value of all client accounts in an effort to ensure that Systematic's client reporting is accurate. For daily-valued accounts (including mutual funds for which Systematic serves as a sub-adviser), Systematic typically reconciles cash positions on a daily basis. Accounts are generally reconciled on either a trade date or settlement date basis. To the extent any discrepancies are identified through the performance of these reconciliations, our operations personnel will typically work with both our internal team and the client's custodian to resolve any such discrepancies. As the custodian for the assets in the account, the statements and records of the client's custodian or fund administrator are the official books and records for the account.

Systematic encourages clients to compare the statements provided to them by Systematic to those provided to them by custodians and fund administrators and to report any questions, concerns or discrepancies to both Systematic and the client's qualified custodian promptly.

Reporting

Clients should receive monthly or quarterly account reports from independent qualified custodians, unless they request these reports more frequently. The reports typically include:

1. Listing of individual holdings, including number of shares and current market value;
2. Quarterly, year-to-date, and/or since-inception time-weighed rates of return;
3. Historical statement of changes describing clients' original capital and additions of capital, together with income earned and a combination of realized and unrealized appreciation or depreciation; and
4. Purchase and sale transactions occurring during the quarter.

In addition, clients with accounts in wrap fee programs typically receive regular reporting from the firm sponsoring the wrap program.

Our institutional clients also generally receive monthly or quarterly reports from Systematic, and some of our individual clients receive reports from Systematic as requested from time to time. These reports are primarily standard, although some are customized. The reports normally include actual performance against objectives, comments on markets and strategy, a portfolio appraisal of security and cash positions, and portfolio transaction summaries. These reports are typically supplemented by trade confirmations and the other reports on clients' portfolio holdings and transactions provided (on typically a quarterly basis) to clients from their respective custodians and/or broker/dealers, as described above. Please see "Item 15 - Custody" for more information on these reports.

As noted in "Item 15 - Custody," we encourage our clients who receive reports from Systematic to compare those reports against the reports provided to them by the qualified custodians who hold the assets of their accounts, and to report any questions, concerns, or discrepancies to both Systematic and the qualified custodian promptly. The custodian statements reflect the official books and records for the accounts we manage, rather than Systematic's statements.

Item 14 – Client Referrals and other Compensation

Relationships with Consultants

Many of our clients and prospective clients retain investment consultants to advise them on the selection and review of investment managers. Systematic may have certain accounts that were introduced to Systematic through consultants that may also be broker/dealers or may have relationships with a particular broker/dealer. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend Systematic's investment advisory services, or otherwise place Systematic into searches or other selection processes for a particular client. In addition, Systematic may, from time to time, buy from such outside consultants' certain services or products used in Systematic's investment advisory business (such as software) or pay registration or other fees in connection with consultant-sponsored industry forums, conferences or databases.

Systematic has extensive dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships. Specifically, we provide consultants with information on portfolios we manage for our mutual clients, pursuant to our clients' directions. Systematic also provides information on our investment styles to consultants, who use that information in connection with searches they conduct for their clients. Systematic also responds to "Requests for Proposals" from prospective clients in connection with those searches.

Clients obtained through these consultants may instruct Systematic to direct some or all of their brokerage transactions to these consultants, which may also be a broker/dealer, or to the particular broker/dealers with whom they have relationships. In the alternative, Systematic may simply choose to allocate brokerage to such consultants or broker/dealers.

Other interactions that Systematic may have with consultants include, but are not limited to, the following:

- Certain pension consultants may have affiliated broker-dealers. Systematic may place trades with these broker/dealers during the normal course of business while seeking best execution;
- Systematic may invite consultants to events or other entertainment hosted by the Firm;
- Systematic may, from time to time, purchase software applications, access to databases, and other products or services from some consultants;
- Systematic may pay registration or other fess for the opportunity to participate, along with

other investment managers, in consultant-sponsored industry forums or conferences. These conferences or forums provide Systematic with the opportunity to discuss a broad variety of business topics with consultants, clients, and prospective clients; and

- In some cases, Systematic may serve as investment adviser for the proprietary accounts of consultants, their affiliates, or fiduciary clients or as adviser or sub-adviser for funds offered by consultants and/or their affiliates.

In general, Systematic relies on each consultant to make appropriate disclosure to its clients of any conflict that the consultant may believe to exist due to its relationship with our Firm.

Consulting Databases

Systematic may pay consultants or other third parties to include information about Systematic's investment approaches in databases that they maintain to describe the services provided by investment managers to prospective clients.

Relationships with Solicitors

Systematic does not have agreements with unaffiliated third parties to solicit clients.

As noted above in "Item 10 – Other Financial Industry Activities and Affiliations," Systematic is party to agreements with certain of AMG's wholly-owned subsidiaries, pursuant to which Systematic pays AMG's wholly-owned subsidiaries fees for services rendered to Systematic to support Systematic's retention of and provision of investment advisory services to clients.

Compensation from Third Parties

Systematic does not receive any monetary compensation or any other economic benefit from a non-client for Systematic's provision of investment advisory services to a client.

Item 15 – Custody

Systematic does not act as a custodian over the assets in the accounts we manage for our clients. Clients must make their own arrangements for custody of securities in their accounts in order to use Systematic's services. Such custodians may be broker/dealers, banks, trust companies, or other qualified institutions. Generally, the qualified custodian should directly provide the client with at least quarterly account statements relating to the assets held within the account managed by Systematic. Each client should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the client's account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to Systematic and the qualified custodian.

In addition to the account statements provided by qualified custodians to our clients, as noted in "Item 13 – Review of Accounts," Systematic also provides account statements to some clients on a monthly or quarterly basis. As such, we encourage those clients to compare the statements provided to them by Systematic against those provided to them by the qualified custodians who hold the assets of their accounts, and to report any questions, concerns, or discrepancies to both Systematic and the qualified custodian promptly. Such questions, concerns, or discrepancies may be communicated to Systematic by writing, e-mailing, or telephoning us using the contact information on the cover page of this Brochure.

Our statements may vary from custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities. However, please note that custodian statements reflect the official books and records for the accounts we manage.

Item 16 – Investment Discretion

As noted in "Item 4 – Advisory Business" of this Brochure, Systematic is typically granted discretionary authority by a client at the outset of an advisory relationship to determine the identity and number of securities to be bought or sold. Where investment discretion has been granted, Systematic manages the client portfolio and generally makes investment decisions without consulting the client as to which securities are bought and sold for the account, the total amount of the securities to be bought and sold, the brokers with whom orders for the purchase or sale of securities are placed for execution, and the price per share and the commission rates at which securities transactions are affected. However, such discretion is exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts of securities for purchase or sale, Systematic observes the investment policies, limitations, and restrictions that are applicable to our clients' accounts, as set forth by our clients. In some instances, Systematic's discretionary authority may also be limited by applicable firm-wide legal, risk, and/or regulatory requirements or restrictions. Systematic's discretionary authority may also be limited by directions from a client to have transactions effected through specified brokers or the client's own trading desk, as described more fully in "Item 12 – Brokerage Practices."

Any investment guidelines and restrictions, including amendments, must be provided to Systematic by our clients in writing. A client will typically grant Systematic discretionary authority by executing an investment management agreement, which includes, among other items, a statement giving Systematic authority to invest the assets identified by the client in manner consistent with the investment objectives and limitations delineated by the client and Systematic, and to engage in transactions on a discretionary basis in the client account.

As noted above, some clients place investment guidelines upon their accounts, including social, political, or other restrictions that prohibit certain investments. Systematic may, therefore, advise or take action for some clients that differ from recommendations or actions taken for other clients. Systematic is not obligated to recommend to any or all clients any investments that it may recommend to, or purchase or sell for, certain other clients.

From time to time, Systematic also manages investment advisory accounts not involving discretionary management services such as multi-manager, multi-discipline investment products, and diversified manager allocation products, which include the provision of a model portfolio to another manager. Please see "Item 4 – Advisory Business" and "Item 5 – Fees and Compensation" of this Brochure for information regarding these services.

Class Action Suits and Other Legal Actions

Systematic does not provide legal advice to clients and, accordingly, does not determine whether a client should join or opt out of any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the client. Systematic is generally not obligated to take, and typically does not take, any legal action with regard to class action suits or bankruptcy matters relating to securities purchased by Systematic for its clients. Moreover, Systematic generally does not have authority to submit claims or elections on behalf of clients in legal proceedings, but may, for institutional clients, provide a class action or bankruptcy administrator with an institutional client's contact information or the client's legal counsel, master trustee or custodian bank's contact information. Under such circumstances, Systematic will generally continue to provide such contact information for a one-year period following the termination of Systematic's investment management services for institutional clients. Systematic, however, does not typically provide retail (wrap fee program) clients' contact information to class action or bankruptcy administrators; accordingly, in such an instance, responsibility resides with the wrap fee program sponsor/broker-dealer. Should a client wish to retain legal counsel and/or take action regarding any class action suit or bankruptcy proceeding, upon the client's reasonable request, Systematic will provide the client or the client's legal counsel or their specified agent with information in its possession that may be needed upon reasonable request. Unless instructed otherwise by clients, Systematic usually provides instructions to custodians and brokers regarding tender offers and rights offerings for securities in client accounts.

Item 17 – Voting Client Securities

Since client accounts may hold stocks or other securities with voting rights, our clients often have the right to cast votes at the corporate issuers' shareholder meetings. However, since shareholders often do not attend shareholder meetings, they have the right to cast their votes by "proxy." In such cases, Systematic's clients will either retain proxy voting authority or delegate it to Systematic. If a client has delegated such authority to the Firm (whether in the client's investment management agreement with Systematic or by other written direction), Systematic will notify both its proxy agent and the client's custodian that Systematic will vote proxies for that client's account.

Systematic will not vote shares unless its agent receives proxy materials on a timely basis from the custodian or brokerage firm. Systematic clients may revoke Systematic's voting authority by providing written notice to Systematic. If a particular client for whom Systematic has investment discretion has not explicitly delegated proxy voting authority to Systematic, Systematic will not vote such client's proxies, and the client will retain the voting authority for its account. In such a case, the client will receive proxy solicitations from the custodian, and the client may contact Systematic with any questions about a particular solicitation at the contact information found on the cover page of this Brochure.

Additionally, voting proxies of issuers in non-U.S. markets may give rise to a number of administrative issues that may prevent Systematic from voting proxies within these jurisdictions. For example, Systematic may receive meeting notices without enough time to fully consider the proxy or after the cut-off date for voting. Other markets may require Systematic to provide local agents with power of attorney prior to implementing Systematic's voting instructions. Although it is Systematic's policy to vote all proxies for securities held in client accounts for which Systematic has voting authority, in the case of non-U.S. issuers, Systematic votes proxies on a best-efforts basis.

Where clients have delegated proxy voting authority to Systematic, as an investment adviser and fiduciary of client assets, Systematic has implemented proxy voting policies and procedures intended to protect the value of shareholder investments and designed to reasonably ensure that Systematic votes proxies in a manner which places our clients' interest before those of the Firm. In voting proxies, we seek to both maximize the long-term value of our clients' assets and to cast votes that we believe to be fair and in the best interest of the affected clients.

If a client has delegated proxy voting authority to Systematic but would nevertheless like to direct our vote on a particular proxy solicitation, the client may contact us at the contact information found on the cover page of this Brochure.

Voting Agent

Systematic has retained an independent third-party proxy advisory firm to assist the firm in discharging its proxy voting responsibilities. The third-party proxy advisory firm offers voting assistance by, among other proxy matters:

- Providing specified sets of independent proxy voting policy guidelines;
- Providing research and vote recommendations in accordance with the specified policies considerations;
- Voting Systematic's client proxies via the proxy advisers automated, electronic vote management system;
- Acting as agent for the proxy process, and
- Maintaining records on proxy voting for our clients.

Conflicts of Interest

For purpose of this Policy, a conflict of interest is a relationship or activity engaged in by Systematic or a Systematic employee that creates an incentive (or appearance thereof) to favor the interests of Systematic, or the employee, rather than the clients' interests. For example, Systematic may have a conflict of interest if either Systematic has a significant business relationship with a company that is soliciting a proxy, or if a Systematic employee who is involved in the proxy voting decision-making process has a significant personal or family relationship with the particular company. A conflict of interest is considered to be ‘material’ to the extent that a reasonable person could expect the conflict to influence Systematic’s decision on the particular vote at issue. Systematic seeks to avoid the occurrence of actual or apparent material conflict of interest in the proxy voting process by voting in accordance with pre-determined voting guidelines, and by observing procedures that are intended to prevent conflicts when practicable and manage material conflicts of interest. In all cases in which there is deemed to be a material conflict of interest, Systematic will seek to resolve the conflict in the clients’ best interests. In order to avoid the appearance of any and all conflicts of interest, Systematic has adopted four sets of independent proxy voting guidelines, all of which are constructed and maintained by the Firm’s proxy advisory firm. It is our belief that such adoption not only endeavors to remove conflicts of interest that could affect the outcome of a vote but also affords us the opportunity to vote in the best interest of the client. Systematic intends to remove any discretion it may have to interpret how to vote proxies in cases where Systematic has a conflict of interest or the appearance of a potential conflict of interest. Notwithstanding the appointment of the proxy agent, there may be some instances where Systematic votes proxies. For example, there may be a situation where the proxy agent itself may have a material conflict of interest with respect to a proxy vote that it is voting on Systematic’s clients' behalf. In those situations, the proxy agent is obligated to fully or partially abstain from voting the proxy.

Although rare, where Systematic determines to remove voting discretion from the proxy agent, Systematic’s Proxy Voting Committee will provide the actual voting recommendation after a review of the vote(s) and based upon the Committee’s determination of what is in the best interests of Systematic’s clients. Systematic will work to ensure that prior to a vote being made, conflicts of interest are identified, and material conflicts are properly addressed such that the proxy may be voted in the best interest of clients.

The proxy agent has policies and procedures in place to mitigate potential conflicts of interest. The proxy agent is obligated to notify Systematic, in advance of voting any proxies, in specific situations where it may have a material conflict of interest with a company whose proxy it is responsible for voting on behalf of a Systematic client. If this situation occurs, the proxy agent will typically follow its procedures regarding conflicts of interest and Systematic will generally follow the same procedures it does for situations where the proxy agent has a material conflict of interest, as described above.

Systematic’s Proxy Voting Committee convenes as necessary The Proxy Voting Committee monitors and reviews the Firm’s voting policies and procedures, material conflicts of interest or special factors or circumstances on an as needed basis. The Committee also reviews and approves any material changes to the proxy advisory firm’s policies.

Proxy Voting Guidelines

Systematic maintains four sets of proxy voting policies: one based on AFL-CIO polices for Taft-Hartley Plan Sponsors; another for Public Plans; another for Catholic or other faith-based entities and the fifth being a General Policy for all other clients, covering U.S. and global proxies. Institutional clients may select which set of proxy policies they wish be used to vote their account’s proxies. In instances where the client does not select a voting policy, Systematic will generally select the client’s proxy policy based on Systematic’s determination of which policy it believes is in the client’s best interest.

Systematic receives Proxy Reports generally on a quarterly basis for each institutional account where we have voting authority. These reports are reviewed by Compliance to ensure ballots are received and votes are cast. Systematic also performs a periodic comparison to ensure accounts are linked to the correct voting policy.

Systematic subscribes to the use of its proxy advisory firm's electronic, automated voting system when voting it client's proxies in the normal course. Under normal circumstances Systematic generally casts its votes in accordance with its proxy advisers vote recommendations. Systematic's proxy adviser provides information relating to its vote recommendations in advance of the proxy vote submission deadline including, but not limited to, information and reported additional feedback concerning issuer or shareholder supplemental information and research that may contrast or differ from the proxy advisory firm's research, recommendations and views. In these instances, where additional information is received, or in the case of controversial or contested election proposals, and similarly situated proxy matters, Systematic will consider such information and conduct a more thorough analysis if necessary, before final proxy votes are cast, taking into consideration our client(s) best interests.

Systematic may process certain proxies, or certain proposals within such proxies, without voting, such as by making a decision to abstain from voting or take no action, unless otherwise prohibited by a client's investment guidelines. Examples include, without limitation, proxies issued by companies that the Firm has decided to sell, proxies issued for securities that the Firm did not select for a client portfolio (such as securities selected by the client or a previous adviser, unsupervised securities held in a client's account, money market securities, or other securities selected by clients or their representatives other than Systematic), or proxies issued by foreign companies that impose burdensome or unreasonable voting, power of attorney, or holding requirements, such as with share blocking.

Systematic also seeks to ensure that, to the extent reasonably feasible, proxies for which it receives ballots in good order and receives timely notice will be voted or otherwise processed (such as through a decision to abstain or take no action). As noted above, Systematic may be unable to vote or otherwise process proxy ballots that are not received in a timely manner due to limitations of the proxy voting system, custodial limitations, or other factors beyond the Firm's control. Such ballots may include, without limitation, ballots for securities out on loan under securities lending programs initiated by the client or its custodian, ballots not timely forwarded by a custodian, or ballots that were not received by Systematic from its proxy voting vendor on a timely basis.

If you would like a copy of Systematic's Proxy Policy, if you would like to review how Systematic voted on a particular security in your account, or if you would like further information on the proxy agent's proxy voting policy guidelines, please contact us using the contact information found on the cover page of this Brochure.

Item 18 – Financial Information

Systematic has no financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients, and Systematic has not been the subject of a bankruptcy proceeding.

Systematic Financial Management L.P.
Privacy Policy

Systematic Financial Management L.P. (“Systematic” or “Firm”) recognizes its obligation to keep information about our clients secure and confidential. It’s important for you to know that we do not sell or share Client Information with nonaffiliated third parties for marketing purposes. Systematic carefully manages information among our service providers to provide our clients with better service, more convenience, and to offer benefits to our clients.

This Policy covers Client Information, which means personally identifiable information about a client or a client’s current or former relationship with Systematic.

It is Systematic’s policy to ensure Client Information is protected, maintained and disposed of in ways that the information is safeguarded from unauthorized uses or disclosures. Systematic will take reasonable measures to dispose of clients’ personal information in such a manner that the information cannot be read or reconstructed for unauthorized use. Systematic will determine the appropriate method of disposal on an as needed basis.

Collecting Information

In the course of conducting business with you, we collect and use various types of information to service your accounts, to save you time and money and to better understand your needs.

We collect the following Client Information about you from the following sources:

1. Information you provide to us on applications and contracts and through other means, such as names, addresses and social security or tax-identification numbers, income, occupation and birth date; and
2. Information about client transactions and account experience with Systematic, such as client account balances, investment history, and information about the Firm’s communication with our clients, such as account statements, trade confirmations and call activity.

Sharing Information with Third Parties

Systematic typically does not share non-public client information with unaffiliated third parties other than as necessary to carry out the actual performance, or assess the quality, of the investment management services it has been hired to provide. Thus, we may share Client Information with service providers that work for us to provide you with products and services that you may have requested or already have with us. We share only the information needed to provide these services and to provide a high-quality client experience. These service providers may include financial services providers, such as client accounts’ custodian banks, transfer agents, administrators and investment companies and non-financial companies, such as proxy voting service providers and data processing companies. These service providers might assist the Firm, for example, in fulfilling service requests or contractual requirements, processing transactions, maintaining company records, or helping mail account statements and trade confirmations. Systematic may also use such information in the account opening process including conducting anti-money laundering screening. All of these companies act on the Firm’s behalf, and are obligated to keep the information that Systematic provides to them confidential, and use the information only to provide the services the Firm has asked them to perform for the Firm or the Firm’s clients. Systematic does not sell client information to unaffiliated third parties for marketing purposes.

Disclosing Information in Other Situations

We may also disclose Client Information to non-affiliate third parties when permitted or required by law. This may include disclosure in connection with a subpoena or similar legal process, or an audit or examination. We may also share Client Information outside our family of service providers, but only if we have your consent.

Disclosure of Information to Affiliates

As an affiliate of Affiliated Managers Group (AMG), Systematic may also share information about its experiences or transactions with clients or their accounts with AMG. Except as permitted by The Gramm Leach Bliley Act, AMG abides by a "No Share" policy whereby this information is not shared with other affiliates or with non-affiliated third parties.

Security of Information is a Priority

Keeping financial information secure is one of our most important responsibilities. We value our clients trust, and we handle information about the Firm's clients with care. Our associates are governed by confidentiality policies requiring confidential treatment of Client Information.

We also limit access to non-public Client Information to those employees and service providers who need to know that information to provide products and services to you or to maintain or service those products or services.

Additionally, we maintain physical, electronic and procedural safeguards that comply with federal standards to protect your non-public, personal Client Information and ensure its integrity and confidentiality.

We continually assess new technology for protecting information and we upgrade our systems when appropriate.

Making Sure Information is Accurate

Keeping the information about client accounts accurate and up-to-date is very important. Systematic provides clients with access to account information through various means, such as account statements. If clients ever find that account information is incomplete, inaccurate or not current, or if there are any other questions, please call or write us at 201-928-1982. The Firm will try to update or correct any erroneous information or investigate any complaint as quickly as possible.

Keeping Up-to-Date with our Privacy Policy

Systematic will provide notice of our Privacy Policy to clients upon opening a new account as well as annually, so long as clients maintain an ongoing relationship with Systematic. This Policy may change from time to time.

Form ADV Part 2B

Systematic
FINANCIAL MANAGEMENT

300 Frank W. Burr Boulevard, 7th Floor
Teaneck, NJ 07666
(201) 928-1982
March 31, 2021

Portfolio Managers

Kenneth W. Burgess, CFAᵻ

Analysts

Christopher Lippincott, CFA
Matthew Tangel, CFA

Assistant Portfolio Manager
Brian Kostka, CFAᵻ
Richard Plummer, CFA
W. Ryan Wick, CFAᵻ

ᵻ Denotes investment adviser representative registered with one or more state securities authorities. Additional information about each identified investment adviser representative is available on the Securities and Exchange Commission's website at www.adviserinfo.sec.gov.

This Form ADV Part 2B (the "Brochure Supplement") provides information about the individuals referenced on this Cover Page and supplements Systematic Financial Management, LP's ("Systematic's") Form ADV Part 2A (the "Brochure"), which you should have received with, or prior to, the delivery of this supplement. However, if you did not receive the Brochure, or if you have any questions about the contents of this Brochure Supplement, please contact:

Karen. E. Kohler
Chief Operating Officer
Chief Compliance Officer

Systematic Financial Management, LP
300 Frank E. Burr Boulevard
Glenpointe East, 7th Floor
Teaneck, NJ 07666
(201) 708-1678
kkohler@sfmlp.com

SUMMARY OF PROFESSIONAL DESIGNATIONS

Systematic is providing this Summary of Professional Designations to assist you in evaluating our investment professionals' licenses and other professional designations.

CFA (Chartered Financial Analyst): The internationally recognized CFA Institute grants the Chartered Financial Analyst designation (CFA) upon successful completion of three sequential exams, which test practical application of investment knowledge. Charter holders must annually certify their compliance with the CFA's Code of Ethics and Standards of Professional Conduct.

Series 6 License: The Financial Industry Regulatory Authority (FINRA) grants the Series 6 License upon successful completion of the Investment Company/Variable Contracts Products Limited Representative Examination, which tests candidates' knowledge of mutual funds, variable annuities, securities and tax regulations, retirement plans and insurance products.

Series 63 License: The Financial Industry Regulatory Authority (FINRA) grants the Series 63 License upon successful completion of Uniform Securities Agent State Law Examination, which tests candidates' knowledge of the Uniform Securities Act and principles of state securities regulation.

Kenneth W. Burgess, CFA
Chief Investment Officer and Portfolio Manager

Item 2 – Educational Background and Business Experience

Year of Birth: 1970

Education

New Hampshire College

Business Experience

Systematic Financial Management	1993 – Present	
	2019 – Present	Chief Investment Officer & Portfolio Manager
	1996 – 2019	Portfolio Manager
	1995 – 1996	Assistant Portfolio Manager
	1995	Senior Equity Analyst
	1993 – 1995	Equity Analyst

Item 3 – Disciplinary Information

Kenneth W. Burgess has not been the subject of any applicable legal or disciplinary events.

Item 4 – Other Business Activities

Kenneth W. Burgess is not actively engaged in any other applicable business activities.

Item 5 – Additional Compensation

Kenneth W. Burgess does not receive compensation from any third parties who are not clients as compensation for providing advisory services.

Item 6 – Supervision

Systematic exercises a team approach to investment management, which encourages regular informal peer review. As Chief Investment Officer, Mr. Burgess does not have a formal supervisor, but rather reports to, and is supervised by, Systematic's Management Committee. The Management Committee oversees personnel firm wide and monitors the firm's overall performance. Mr. Burgess may confer with his fellow portfolio managers in making investment decisions and is subject to Management Committee oversight. In addition, Systematic regularly compares each portfolio strategy's performance, portfolio characteristics and risk attributes to relevant external market indexes to further assess overall portfolio performance.

Chief Operating Officer and Chief Compliance Officer, Karen E. Kohler, is a member of the Management Committee which supervises Mr. Burgess, and may be reached at (201) 928-1982.

Brian Kostka, CFA
Assistant Portfolio Manager

Item 2 – Educational Background and Business Experience

Year of Birth: 1976

Education

B.S., Boston College, 1999

Business Experience

Systematic Financial Management	2007 – Present	
	2012 – Present	Assistant Portfolio Manager
	2011 – 2012	Senior Equity Analyst
	2007 – 2011	Equity Analyst
Estabrook Capital Management	2006 – 2007	Equity Analyst
UBS Investment Research	2004 – 2006	Associate Research Analyst
Gartmore Global Investments	2001 – 2004	CFO - Operations
PricewaterhouseCoopers LLP	1999 – 2001	Associate

Item 3 – Disciplinary Information

Brian Kostka has not been the subject of any applicable legal or disciplinary events.

Item 4 – Other Business Activities

Brian Kostka is not actively engaged in any other applicable business activities.

Item 5 – Additional Compensation

Brian Kostka does not receive compensation from any third parties who are not clients as compensation for providing advisory services.

Item 6 – Supervision

Systematic exercises a team approach to investment management, which encourages regular informal peer review. The firm's analysts typically focus their company specific research based on assigned economic sectors and frequently collaborate with other investment professionals. Mr. Kostka is supervised by the Chief Investment Officer, Kenneth Burgess. Mr. Kostka is also subject to Management Committee oversight. Systematic's Management Committee oversees personnel firm-wide and monitors the firm's overall performance. In addition, Systematic regularly compares each sector's performance to relevant external market indexes and utilizes a performance attribution analysis to assess the influence of stock selection on performance.

Chief Investment Officer, Kenneth Burgess, may be reached at (201) 928-1982.

W. Ryan Wick, CFA
Assistant Portfolio Manager

Item 2 – Educational Background and Business Experience

Year of Birth: 1970

Education

M.B.A., Columbia Business School, 1999

B.A., Bucknell University, 1993

Business Experience

Systematic Financial Management	2005 – Present	
	2014 – Present	Assistant Portfolio Manager
	2011 – 2014	Senior Equity Analyst
	2005 – 2011	Equity Analyst
Axe-Houghton Associates	2002 – 2005	Equity Analyst
ABN AMRO	1999 – 2001	Assoc. Equity Research Analyst

Item 3 – Disciplinary Information

Ryan Wick has not been the subject of any applicable legal or disciplinary events.

Item 4 – Other Business Activities

Ryan Wick is not actively engaged in any other applicable business activities.

Item 5 – Additional Compensation

Ryan Wick does not receive compensation from any third parties who are not clients as compensation for providing advisory services.

Item 6 – Supervision

Systematic exercises a team approach to investment management, which encourages regular informal peer review. The firm's analysts typically focus their company specific research based on assigned economic sectors and frequently collaborate with other investment professionals. Mr. Wick is supervised by the Chief Investment Officer, Kenneth Burgess. Mr. Wick is also subject to Management Committee oversight. Systematic's Management Committee oversees personnel firm-wide and monitors the firm's overall performance. In addition, Systematic regularly compares each sector's performance to relevant external market indexes and utilizes a performance attribution analysis to assess the influence of stock selection on performance.

Chief Investment Officer, Kenneth Burgess, may be reached at (201) 928-1982.

Christopher Lippincott, CFA
Senior Equity Analyst

Item 2 – Educational Background and Business Experience

Year of Birth: 1965

Education

M.B.A., Fordham University School of Business, 2002

B.A., Vassar College, 1988

Business Experience

Systematic Financial Management	2008 – Present	
	2014 – Present	Senior Equity Analyst
	2008 – 2014	Equity Analyst
Standard & Poor's	2006 – 2008	Senior Equity Analyst
KeyBanc Capital Markets	2000 – 2005	Senior VP/Senior Tech. Analyst
Auerbach, Pollak & Richardson	1998 – 2002	Equity Research Analyst
Alexander Wescott	1996 – 1998	Junior Equity Research Analyst

Item 3 – Disciplinary Information

Christopher Lippincott has not been the subject of any applicable legal or disciplinary events.

Item 4 – Other Business Activities

Christopher Lippincott is not actively engaged in any other applicable business activities.

Item 5 – Additional Compensation

Christopher Lippincott does not receive compensation from any third parties who are not clients as compensation for providing advisory services.

Item 6 – Supervision

Systematic exercises a team approach to investment management, which encourages regular informal peer review. The firm's analysts typically focus their company specific research based on assigned economic sectors and frequently collaborate with other investment professionals. Mr. Lippincott is supervised by the Chief Investment Officer, Kenneth Burgess. Mr. Lippincott is also subject to Management Committee oversight. Systematic's Management Committee oversees personnel firm-wide and monitors the firm's overall performance. In addition, Systematic regularly compares each sector's performance to relevant external market indexes and utilizes a performance attribution analysis to assess the influence of stock selection on performance.

Chief Investment Officer, Kenneth Burgess, may be reached at (201) 928-1982.

Richard Plummer, CFA
Assistant Portfolio Manager

Item 2 – Educational Background and Business Experience

Year of Birth: 1972

Education

M.B.A., New York University, 2004
B.A., Wesleyan University, 1994

Licenses

Series 6
Series 63

Business Experience

Systematic Financial Management	2004 – Present	
	2017 – Present	Senior Analyst /Assistant Portfolio Manger
	2011 – 2017	Senior Equity Analyst
	2004 – 2011	Equity Analyst
ValueLine	1994 – 2004	Equity Research

Item 3 – Disciplinary Information

Richard Plummer has not been the subject of any applicable legal or disciplinary events.

Item 4 – Other Business Activities

Richard Plummer is not actively engaged in any other applicable business activities.

Item 5 – Additional Compensation

Richard Plummer does not receive compensation from any third parties who are not clients as compensation for providing advisory services.

Item 6 – Supervision

Systematic exercises a team approach to investment management, which encourages regular informal peer review. The firm's analysts typically focus their company specific research based on assigned economic sectors and frequently collaborate with other investment professionals. Mr. Plummer is supervised by the Chief Investment Officer, Kenneth Burgess. Mr. Plummer is also subject to Management Committee oversight. Systematic's Management Committee oversees personnel firm-wide and monitors the firm's overall performance. In addition, Systematic regularly compares each sector's performance to relevant external market indexes and utilizes a performance attribution analysis to assess the influence of stock selection on performance.

Chief Investment Officer, Kenneth Burgess, may be reached at (201) 928-1982.

Matthew Tangel, CFA
Senior Equity Analyst

Item 2 – Educational Background and Business Experience

Year of Birth: 1983

Education

B.S., Bryant University, 2005

Business Experience

Systematic Financial Management	2008 – Present	
	2017 to Present	Senior Equity Analyst
	2008 – 2016	Equity Analyst
FactSet Research Systems	2005 – 2008	Senior Consultant

Item 3 – Disciplinary Information

Matthew Tangel has not been the subject of any applicable legal or disciplinary events.

Item 4 – Other Business Activities

Matthew Tangel is not actively engaged in any other applicable business activities.

Item 5 – Additional Compensation

Matthew Tangel does not receive compensation from any third parties who are not clients as compensation for providing advisory services.

Item 6 – Supervision

Systematic exercises a team approach to investment management, which encourages regular informal peer review. The firm's analysts typically focus their company specific research based on assigned economic sectors and frequently collaborate with other investment professionals. Mr. Tangel is supervised by the Chief Investment Officer, Kenneth Burgess. Mr. Tangel is also subject to Management Committee oversight. Systematic's Management Committee oversees personnel firm-wide and monitors the firm's overall performance. In addition, Systematic regularly compares each sector's performance to relevant external market indexes and utilizes a performance attribution analysis to assess the influence of stock selection on performance.

Chief Investment Officer, Kenneth Burgess, may be reached at (201) 928-1982.