FORM ADV PART 2A

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March 25, 2019

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

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

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

Item 2—Material Changes

This brochure, dated March 25, 2019, is an amended document prepared by Parametric according to the SEC's requirements and rules relating to Form ADV. This amended brochure contains the following material changes from the annual updated brochures dated January 26, 2018 and January 26, 2019:

Item 1 – Effective March 25, 2019, the primary business address of Parametric is 800 Fifth Avenue, Suite 2800, Seattle, WA 98104. Previously, the firm was located at 1918 Eighth Avenue, Suite 3100, Seattle, WA 98101. The firm's main telephone number and website address did not change.

Item 4 - Parametric has been granted registration as a Portfolio Manager by the Canadian provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, and Quebec. The firm has also been granted registration as a Commodity Trading Manager in Ontario. Parametric advises or sub-advises qualified institutional or "permitted" clients in these provinces and does so in accordance with rules and regulations set forth in National Instrument (NI) 31-103.

Item 5 - The annual fee range for Customized Exposure Management (CEM) strategies offered by Parametric has changed from 0.10-0.45% to 0.08-0.55% of assets under management. All advisory fees are negotiable and vary by investment strategy, product type, account size, customization requirements and required service levels. Minimum fees may apply to CEM strategies.

Item 5 – Parametric has clarified that, when it is responsible for calculating fees owed by a client, the billing period end AUM calculated by Parametric Seattle may not match the AUM reported by the client's custodian if there is pending portfolio activity.

Item 8 – The following have been added as material risks of Parametric's highly customized Policy Implementation Overlay Services (PIOS®) strategy: Commodities, Counterparty, Credit, Duration, Hedge Correlation, Income, Inflation Linked Security, Interest Rate, Leverage, Maturity, Options Strategy, Structured Management, and Swap Risk. These risks are described in full in Item 8 of the brochure.

Item 8 – The Liquid Alternative Strategy has been renamed Low Beta VRP. The Low Volatility Equity Strategy has been renamed Elevated Beta VRP. The primary investment objective of these strategies has not changed.

Item 8 - The Multi-Asset Volatility Risk Premia strategy is a new strategy offered by Parametric. The strategy seeks, primarily, to capture volatility risk premium generally across four asset classes – equities, fixed income, commodities and currencies – by selling (i.e., writing) call and put options to buyers seeking financial insurance in exchange for a premium, or payment, from the option buyer. The strategy and its material risks are summarized in full in Item 8 of the brochure.

Item 8 – Tax Straddle Risk has been added as a material risk relevant to the Custom Core®, DeltaShift, Defensive Equity, Dynamic Put Selling, Global Defensive Equity, Multi-Asset VRP, Option Absolute Return, Risk-Managed Put Selling, and Low Beta VRP strategies. Tax-managed Investing Risk and Tax Risk have been added as material risks to the Dividend Income, US Equity and International Equity strategies. The potential for wash sales has been added to the definition of Tax-Managed Investing Risk.

Item 12 – Parametric enhanced disclosure regarding its trading practices by clarifying that, due to its systematic portfolio management and trading processes, trade execution may extend beyond the date on which cash contributions and withdrawals are communicated to Parametric. As such, the firm's investment strategies are not suitable for market timing and price targeting activities.

Item 12 – The disclosure summarizing the trade rotation procedures of Parametric Seattle has been updated. Parametric Seattle will generally transmit competing trade orders to multiple brokers at the same time with the exception of orders for less liquid securities or certain types of securities (e.g., ADR's, non-exchange traded funds). Parametric will continue to transmit orders for these securities following a randomly generated rotation schedule in order to limit the impact on the execution price of these securities.

Item 17 – Disclosure regarding the firm's proxy voting practices clarified that Parametric will not accept voting instruction from a client unless such instruction has been requested by Parametric due to a conflict of interest.

Item 3—Table of Contents

Item 4—Advisory Business

Parametric Portfolio Associates LLC (Parametric) is organized as a limited liability company under the laws of the State of Delaware. Parametric has been providing investment advisory services since its formation in 1987. Parametric serves its clients through its primary offices located in Seattle, Wash. and Minneapolis, Minn. Parametric is a majority-owned subsidiary of Eaton Vance Corp. (EVC), a publicly held company that is traded on the New York Stock Exchange (NYSE) under the ticker symbol EV. Parametric's principal owners are EVA Holdings, LLC and Eaton Vance Acquisitions. Each is a privately-held subsidiary of EVC.

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

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

Parametric formed a GIPS®-compliant firm effective December 31, 2013. In doing so, Parametric was divided into two segments: Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For compliance with Global Investment Performance Standards (GIPS®), the Firm is defined and held out to the public as Parametric Investment & Overlay Strategies.

Parametric Investment & Overlay Strategies provides global rules-based investment management services to institutional investors, individual clients, and registered and unregistered investment vehicles. Included in this segment are the Systematic Alpha Strategies, Systematic Income, Alternatives, Non Tax-Managed

Custom Core® and Policy Implementation Overlay Services. The Firm has complied with the GIPS® standards retroactive to January 1, 2000. Parametric Investment & Overlay Strategies claims compliance with the Global Investment Performance Standards.

The Parametric Custom Tax-Managed & Centralized Portfolio Management segment provides global rules-based investment management services to individuals and institutional clients. These strategies are separately managed, customized, non-discretionary (as defined under GIPS®) and do not participate in the GIPS®-defined firm. To obtain a compliant presentation and or the Firm's list of composite descriptions, prospective clients should contact us at 206-694-5575 or visit our website, www.parametricportfolio.com.

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

- Seattle, Washington (herein referred to as Parametric Seattle or Seattle)
- Minneapolis, Minnesota (herein referred to as Parametric Minneapolis or Minneapolis)
- Westport, Connecticut (herein referred to as Parametric Westport or Westport)
- Boston, Massachusetts (Parametric Boston or Boston)
- Sydney, Australia (Parametric Australia or Australia)

The Seattle and Minneapolis offices have customized investment policies and procedures, separate investment guidelines, portfolio management teams and individualized operations. Investment personnel who are located in Westport are subject to the customized investment policies and procedures of Parametric Minneapolis. For certain clients, Parametric utilizes the expertise of investment and operations personnel across more than one office. The Boston and Sydney offices generally consist of client service, sales and marketing personnel. These offices are not responsible for day-to-day portfolio management functions.

Parametric has been granted registration as a Portfolio Manager in the Canadian provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, and Quebec. The firm has also been granted registration as a Commodity Trading Manager in Ontario. Parametric advises or sub-advises qualified institutional or "permitted" clients in Canada and does so in accordance with rules and regulations set forth in National Instrument (NI) 31-103.

Parametric is registered as a foreign company in Australia but is exempt from the requirement to hold an Australian financial services license under the Australian Corporations Act 2001 (Cth) (Corporations Act) in respect of the provision of financial services to wholesale clients as defined in the Corporations Act and pursuant to the Australian Securities and Investments Commission's (ASIC) Class Order 03/1100 and ASIC Corporations (Repeal and Transitional) Instrument 2016/396. SEC rules and regulations may differ from Australian law. Parametric is not a licensed tax agent or adviser and does not provide tax advice in Australia or any other country.

Parametric has registered the name Parametric Portfolio Associates with ASIC.

Parametric Portfolio Associates LLC markets under the following names:

- Parametric Portfolio Associates LLC
- Parametric Portfolio Associates
- Parametric

Parametric and Eaton Vance Management (EVM), an affiliated investment adviser, jointly market and offer Multi-Asset Solutions, a customized separately managed account strategy which provides the benefits of passive investing along with tax efficiency and customization not available in mutual funds and exchange traded funds. Multi-Asset Solutions combines Parametric's Custom Core® equity strategies, which employ active tax-management techniques, with Eaton Vance Ladders (Ladders), fixed income strategies which invest in corporate and municipal bonds. Parametric and EVM are subsidiaries of EVC. For additional information about Custom Core® and Ladders and their relevant risks, please review Item 8 of this brochure.

As of December 31, 2018, Parametric held approximately $216.7 billion in total client assets under management (AUM). This is comprised of roughly $197.3 billion in discretionary AUM and $19.4 billion in non-discretionary AUM. The total AUM includes the AUM of Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management.

Item 5—Fees and Compensation

All advisory fee schedules are negotiable and vary by investment strategy, product type, account size, customization requirements and required service levels. The standard annual fee ranges are as follows:

- Parametric's annual fee for Custom Core® strategies, as defined in Item 8, is typically between 0.15% and 0.35% of assets under management.
- Parametric's annual fee for Multi-Asset Solutions, as defined in Item 8, is typically between 0.06% and 0.29% of assets under management.
- Parametric's annual fee for Customized Exposure Management strategies, as defined in Item 8, is typically between 0.08% and 0.55% of assets under management. Minimum fees may apply to these strategies.
- Parametric's annual fee for Centralized Portfolio Management strategies, as defined in Item 8, is typically between 0.06% and 0.25% of assets under management.
- Parametric's annual fee for Systematic Alpha Strategies, as defined in Item 8, is typically between 0.25% and 0.80% of assets under management.
- Parametric's annual fee for Volatility Risk Premium (VRP) strategies, as defined in Item 8, is typically between 0.20% and 0.80% of assets under management.

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

The advisory fees charged by Parametric are initially confirmed in writing in the client's investment agreement with Parametric. Fees across all Parametric products are typically charged as a percentage of the client portfolio's AUM. Parametric may assess a minimum quarterly fee to accounts that do not trade or fall below the stated asset minimum during a given period. This minimum account fee is acknowledged in the written client agreement. A reporting fee may also be charged to clients requesting enhanced or specialized reporting. This reporting fee is usually charged on a monthly basis and added to the quarterly fee. Custom fixed-fee pricing, subject to negotiation, is also available for certain additional services. Fees are generally payable quarterly in arrears, but some clients may pay in advance. Clients may be billed directly for fees or authorize Parametric to directly bill fees to the client's custodial account. Unless otherwise provided in an investment advisory contract, when Parametric Seattle is responsible for calculating the fees owed by a client, it will calculate the billable assets for which Parametric has investment discretion according to its internal accounting system, which includes assets for which pending portfolio activities have not yet been fully processed. Due to these pending portfolio activities, a client account's AUM calculated by Parametric Seattle may not match the account's AUM reported by the client's custodian. When this occurs over a billing period end, Parametric will calculate fees based on the AUM reflected in its accounting systems, which will differ from the AUM reported by the client's custodian if there is pending activity. Parametric must have written authorization from the client to invoice the custodial account and the client must receive at least quarterly statements from their custodian in order to comply with regulations.

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

Parametric has entered into various advisory agreements with investment advisers and other financial intermediaries with respect to investment programs they offer. Typically, Parametric negotiates fees with the advisers, wrap sponsors or wrap providers and not with individuals participating in such programs. However, for specialized portfolio customization, additional fees may be charged based on the size and complexity of the accounts. In the event of fee schedule changes, Parametric reserves the right to continue pre-established fee schedules with current clients that may be more advantageous to such clients than the new or changed fee schedules offered to prospective clients. Additionally, Parametric reserves the right to offer prospective clients fee schedules or terms that may be more advantageous to such prospective clients than the existing fee schedules offered to its current clients for similar services.

Parametric's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. Such expenses will be assessed to the client. Clients may incur certain charges imposed by custodians, broker-dealers and other third-parties, including but not limited to: fees charged by third-party managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, withholding fees, country tax or delivery fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Certain Parametric investment strategies invest in mutual funds, closed-end funds, exchange-traded notes and ETFs which charge shareholders with management fees. These fees are disclosed in the fund's or ETF's prospectus or offering memorandum. Parametric may invest client assets in mutual funds or closed-end funds offered or managed by EV or its affiliates. Parametric does not receive compensation from any affiliate when clients invest in EV closed-end funds. Management fees charged to fund shareholders are incremental to Parametric's investment management fee. Clients should consider all fees and expenses prior to investing in any disciplines or securities. External legal fees incurred by Parametric on behalf of the client to establish trading accounts, or incremental fees to create specialized securities such as swaps, are billed to the client separately. Such costs are exclusive of and in addition to Parametric's fee, and Parametric does not receive any portion of these payments. Please refer to Item 12 of this brochure regarding Parametric's brokerage practices and various factors Parametric considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Some custody relationships require a minimum account size or annual fee. Wrap fee and sub-advisory program clients receive a brochure from the introducing sponsor detailing all aspects of the wrap fee or sub-advisory program before selecting Parametric as the sub-adviser. Fees and features of each program offered by the various introducing sponsors vary. Wrap fee or sub-advisory program clients should consult the introducing sponsor's brochure for the specific fees and features applicable to their program. For wrap or sub-advised accounts, introducing sponsors and Parametric generally share in a combined service fee charged by the introducing sponsor. Parametric is paid a portion of the fee by the introducing sponsor for advisory services, while the introducing sponsor retains the remainder of the fee for trade execution, custody, and additional services.

In addition to investment advisory fees received from clients, Parametric and its employees receive compensation and fees from affiliates for the sale of securities or other investment products. Parametric has entered into revenue sharing and/or solicitation agreements with the following affiliated firms:

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

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

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

Performance-Based Fees

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

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

Side-by-Side Management

Parametric provides investment advisory services to clients through various investment vehicles. Parametric client assets invested in the same or similar strategies are held in separately managed accounts (SMAs) or commingled in a private fund, mutual fund or other registered fund (collectively Funds). This gives rise to potential conflicts of interest if the Funds and SMAs have, among other things, different objectives, benchmarks or fees (i.e., performance fees). For example, potential conflicts may arise when:

- The portfolio manager must allocate time and investment ideas across SMAs and Funds.
- SMAs' or Funds' orders are not fully executed on the same day.

- Trades get executed for an SMA that may adversely impact the value of securities held by a Fund.
- SMAs or Funds receive an allocation of an investment opportunity when other SMAs or Funds do not for various reasons, such as cash flow availability.
- Trading and securities selected for a particular SMA or Fund cause differences in the performance of other SMAs or Funds that have similar strategies.

Parametric has adopted trade allocation procedures and monitors performance to help ensure Parametric's portfolio managers do not favor Funds or SMAs over each other, and there is fair and equitable treatment of both Funds and SMAs. During periods of unusual market conditions, Parametric may deviate from its stated trade allocation practices. There is no assurance, however, that all conflicts have been or may be identified or addressed for all situations.

Item 7—Types of Clients

Parametric provides portfolio management services to: high net-worth individuals; corporations; corporate pension and profit-sharing plans; Taft-Hartley plans; banking and thrift institutions; charitable institutions, foundations and endowments; state, municipal and federal government entities; registered investment companies; trust programs; other investment advisers; sovereign funds; foreign registered and private funds; other pooled investment vehicles; other U.S. and international institutions. Parametric generally has a minimum account size of $10 million for opening a direct account. Parametric serves U.S. clients with assets maintained by qualified custodians in the U.S. Parametric may accept certain non-U.S. clients, in its sole discretion, in accordance with all applicable laws.

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

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

Methods of Analysis

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

Investment Strategies

Parametric offers a variety of rules-based, risk-managed investment strategies to address the specific investment objectives of its clients. In pursuing these strategies, Parametric may invest in a wide range of securities and other financial instruments across various asset classes. Parametric recognizes that no investment strategy will achieve positive performance results in every political, economic and market environment. Investing in securities and other financial instruments involves the risk of total loss and, in certain circumstances, the risk of losses exceeding the value of the assets managed.

Parametric generally serves clients through six categories of offerings: Custom Core®, Multi-Asset Solutions, Customized Exposure Management, Centralized Portfolio Management, Systematic Alpha Strategies and Volatility Risk Premium strategies. These investment offerings, including material risks relevant to each, are described below. The investment strategies and material risks described are not intended to be comprehensive. Parametric implements its investment strategies on behalf of individual and institutional investors around the world, each with its own set of investment objectives, restrictions, tax considerations and risk tolerances. Parametric may modify a strategy to meet the specific needs of a client. As a result, a particular investment strategy may involve risks not identified below.

CUSTOM CORE®

Parametric offers Custom Core® strategies to taxable and non-taxable investors. In Australia, Custom Core® is offered as Tax-Managed Indexing or TMI. The investment objective of each taxable Custom Core® strategy is to provide exposure to a client selected market segment while maximizing after-tax returns. For taxable accounts, Parametric seeks to minimize net realized capital gains to provide improved returns over the designated benchmark on an after-tax basis. This is achieved by utilizing tax-efficient trading methodologies such as tax-loss harvesting whenever possible. Tax-loss harvesting means selling a security that has lost value in order to offset capital gains on the investor's tax return. In order to preserve a "harvested" loss in the U.S., Parametric will temporarily restrict a security from repurchase for 30 days to avoid a violation of the wash-sale rule. Non-taxable Custom Core® accounts seek to equal or outperform the client's specified model or market segment. Custom Core® strategies can be benchmarked to any standard or customized index, including but not limited to the S&P 500®, the Russell 1000®, and MSCI EAFE®. Custom Core® strategies typically invest directly in a subset of the securities which make up the designated benchmark. Custom Core® strategies generally invest in equity securities but may also invest in other securities to the extent they are a constituent of the designated benchmark.

Custom Core® strategies can be implemented via individual separately managed accounts, which can be customized to meet the unique needs of each client, or in a pooled or commingled investment vehicle. In addition to enhanced tax management as described above, Custom Core® portfolios can also be customized based on responsible investing principles or by factor investing. As directed by the client or their advisor, Parametric can construct a "socially responsible" Custom Core® portfolio based on environmental, social and governance criteria (ESG) using screens and/or tilts that remove or underweight targeted issuers, sectors or industries. Custom Core® portfolios can also be customized by emphasizing factor exposures such as issuer size, value, momentum, quality, low volatility and dividend yield. By introducing a systematic bias towards these factors, the strategy seeks additional return opportunities and attractive risk profiles.

Custom Core® strategies are subject to material risks, including one or more of the following: Active Management Risk, Equity Risk, Foreign and Emerging Markets Risk, General Investing Risk, Leverage Risk, Market Risk, Small Companies Risk, Structured Management Risk, Tax-Managed Investing Risk, Tax Risk, Tax Straddle Risk and Tracking Error Risk. Not all of these risks apply to each Custom Core® strategy. The specific risks associated with each Custom Core® strategy depends on the client-selected benchmark, portfolio management techniques and tax considerations. For a summary of each risk, see *Summary of Material Risks* below. Parametric does not hold itself out as a tax advisor or consultant and does not provide such services.

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

Tax-managed Custom Core® strategies are offered by Parametric Custom Tax-Managed & Centralized Portfolio Management. Non tax-managed Custom Core® Strategies are offered by Parametric Investment & Overlay Strategies. Parametric is divided into two segments: Parametric Investment Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For compliance with GIPS®, the Firm is defined and held out to the public as Parametric Investment & Overlay Strategies.

MULTI-ASSET SOLUTIONS

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

Eaton Vance Ladders

Parametric markets and offers Eaton Vance Ladders (Ladders) customized, professionally managed portfolios consisting of municipal or corporate bonds. Ladders portfolios are managed by Parametric's affiliate, EVM. Ladders portfolios seek to generate predictable cash flows with targeted market exposure. A Ladders portfolio targets about equally weighting maturity exposure over a specified yield curve range. A fixed percentage of a portfolio's bonds mature, or roll out, each year and the proceeds are reinvested on the longer end of the ladder. Ladders laddered portfolios may also provide portfolio diversification by state, issuer or sector, potentially reducing credit risk. Diversification rules/requirements differ between the municipal and corporate offerings. Credit analysts also provide continuous monitoring of issuers and fixed income markets for deteriorating credit conditions. The Ladders strategies are subject to material risks, including one or more of the following: Active Management Risk, Credit Risk, Debt Market Risk, Duration Risk, Income Risk, Interest Rate Risk, General Investing Risk, Market Risk, Maturity Risk, Municipal Bond Risk, and Structured Management Risk. For a summary of each risk, see *Summary of Material Risks* below. For additional information about EVM's investment strategies and brokerage practices, investors are urged to review EVM's Form ADV brochure.

CUSTOMIZED EXPOSURE MANAGEMENT

Policy Implementation Overlay Services (PIOS®)

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

PIOS® strategies are subject to material risks, including one or more of the following: Active Management Risk, Commodities Risk, Counterparty Risk, Credit Risk, Currency Risk, Derivatives Risk, Duration Risk, Equity Risk, ETF Risk, ETN Risk, General Investing Risk, Hedge Correlation Risk, Income Risk, Inflation-Linked Security Risk, Interest Rate Risk, Leverage Risk, Market Risk, Maturity Risk, Options Strategy Risk, Structured Management Risk, Swap Risk and Tracking Error Risk. Not all of these risks apply to each PIOS® strategy. The specific risks associated with each PIOS® strategy depend on the client's investment objective and the types of instruments used to achieve that client's investment objective. For a summary of each risk, see *Summary of Material Risks* below.

Liability Driven Investing

Parametric's Liability Driven Investing (LDI) strategy is intended to assist pension plan clients in the design and implementation of a plan that seeks to reduce risk and manage pension surplus volatility within a defined range. The strategy seeks to manage the key drivers of pension surplus volatility through the use of Treasury futures, interest rate swaps, swaptions, nominal Treasuries, STRIPs and Investment Grade Bonds. Parametric seeks to incorporate the client's objectives and constraints in the design, implementation and ongoing management of a custom LDI risk management solution. The LDI strategy is subject to Active Management Risk, Commodities Risk, Counterparty Risk, Credit Risk, Derivatives Risk, Duration Risk, General Investing Risk, Hedge Correlation Risk, Income Risk, Inflation-Linked Security Risk, Interest Rate Risk, Leverage Risk, Market Risk, Maturity Risk, Options Strategy Risk, Structured Management Risk, Swap Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

CENTRALIZED PORTFOLIO MANAGEMENT

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

CPM strategies are subject to material risks, including one or more of the following: Active Management Risk, Equity Risk, Foreign and Emerging Markets Risk, General Investing Risk, Market Risk, Small Companies Risk, Structured Management Risk, Tax-Managed Investing Risk, Tax Risk and Tracking Error Risk. Not all of these risks apply to each CPM strategy. The specific risks associated with each CPM strategy depend on the client's investment objective and the types of instruments used to achieve that client's investment objective. For a summary of each risk, see *Summary of Material Risks* below.

SYSTEMATIC ALPHA STRATEGIES

Parametric offers the following Systematic Alpha strategies, each of which is designed to outperform a capitalization-weighted index by investing in a portfolio that is less concentrated and bears lower expected risk. To achieve this objective, Parametric uses a modified equal-weight approach with systematic rebalancing.

The ***Parametric U.S. Equity strategy*** invests primarily in a diversified portfolio of equity securities of companies domiciled in the U.S. The strategy's primary investment objective is to seek long-term capital appreciation by investing in securities which are representative of the major industries within the U.S. The Parametric U.S. Equity strategy is also offered in a tax-managed account. The strategy is subject to the following material risks: Active Management Risk, Equity Risk, ETF Risk, General Investing Risk, Market Risk, Small Companies Risk, Structured Management Risk, Tax-Managed Investing Risk, Tax Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

The ***Parametric International Equity strategy*** invests primarily in a diversified portfolio of equity securities of companies domiciled in developed markets outside of the U.S. The strategy may also invest in equity securities of companies located in emerging market countries. The strategy's primary investment objective is to seek long-term capital appreciation by investing in securities which are representative of the major industries within each market in order to participate in the potential growth of these markets. The Parametric International Equity strategy is also offered in a tax-managed account. The strategy is subject to the following material risks: Active Management Risk, Currency Risk, Equity Risk, Derivatives Risk, ETF Risk, Foreign and Emerging Markets Risk, General Investing Risk, Market Risk, Small Companies Risk, Structured Management Risk, Tax-Managed Investing Risk, Tax Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

The ***Parametric Emerging Markets Equity strategy*** invests in a diversified portfolio of equity securities of companies located in emerging and frontier market countries. Emerging and frontier market countries are generally countries not considered to be developed market countries, and therefore are not included in the MSCI World Index. There are two investment disciplines: the Emerging Markets approach, which emphasizes broad coverage and diversification among emerging and frontier market securities (primarily equities) using a four-tiered investment allocation approach designed to allow for greater exposure to smaller markets; and the Emerging Markets Core approach, which emphasizes exposure and diversification among the top three of the four tiers of designated developed market countries. Portfolios invested in the Parametric Emerging Markets Equity strategy are designed to capture returns with less volatility and concentration risk than the benchmark. The investment objective of this strategy is to buy and hold securities that are representative of the major industries within each market in order to participate in the potential growth of these markets. The Parametric Emerging Markets Equity strategy is also offered in a tax-managed account. The strategy is subject to the following material risks: Active Management Risk, Currency Risk, Equity Risk, Derivatives Risk, ETF Risk, Foreign and Emerging Markets Risk, General Investing Risk, Market Risk, Small Companies Risk, Structured Management Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

The ***Parametric Emerging Markets Small Cap strategy*** is an equity strategy that includes small-cap stocks from up to 24 developing countries, primarily countries in the MSCI Emerging Markets Index. The strategy utilizes a top-down, three-part process, designed to actively eliminate country and sector concentrations, and applies a disciplined, unemotional trading approach to build and maintain the strategy's investment exposures. The strategy is subject to the following material risks: Active Management Risk, Currency Risk, Equity Risk, Derivatives Risk, ETF Risk, Foreign and Emerging Markets Risk, General Investing Risk, Market Risk, Small Companies Risk, Structured Management Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

The ***Parametric Commodity strategy*** invests primarily in a portfolio comprised of commodity futures contracts, which are fully backed by cash collateral invested in U.S. Treasury securities. The investment objective of this strategy is to provide a broad-based, long-only portfolio of commodities to capture the potential diversifying and inflation-fighting characteristics of the asset class. The Parametric Commodity strategy is subject to the following material risks: Active Management Risk, Allocation and Position Limits Risk, Commodities Risk, Concentration Risk, Credit Risk, Derivatives Risk, Duration Risk, ETF Risk, General Investing Risk, Income Risk, Interest Rate Risk, Leverage Risk, Market Risk, Maturity Risk, Structured Management Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Systematic Income

The ***Parametric Dividend Income strategy*** invests in a diversified portfolio of equity securities of companies domiciled in the U.S. The strategy constructs portfolios consisting of approximately 200 securities. Sectors are equal-weighted and generally consist of 20-25 securities. The investment objective of the Parametric Dividend Income strategy is to seek a portfolio of durable dividend payers to provide a steady source of dividend income while outperforming the designated index on a total return basis by one to two percent. This strategy is subject to the following material risks: Active Management Risk, Equity Risk, General Investing Risk, Income Risk, Market Risk, Structured Management Risk, Tax-Managed Investing Risk, Tax Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

The ***Parametric Enhanced Income*** and ***Enhanced Income Core strategies*** invest in portfolios of closed-end funds and exchange-traded funds across multiple asset classes. The strategies use an engineered, rules-based approach with systematic reconstitution, and are designed to provide a high level of return and the ability to target an investor's particular income needs. The Enhanced Income strategy typically holds a larger portfolio of securities than the Enhanced Income Core strategy. All closed-end funds and exchange-traded funds charge their shareholders management fees. The Enhanced Income strategies may invest in closed-end funds offered by EV and managed by EVM. In addition to the advisory fee paid directly to Parametric, a client that holds EV closed-end fund shares also pay a management fee indirectly to EVM as a fund shareholder. Parametric does not receive any compensation from EVM when its clients invest in EV closed-end funds. Closed-end funds are less liquid than other equity securities. As such, it is common for Parametric to step-out trade orders for closed-end funds. For additional information about Parametric's brokerage practices, see Item 12 of this brochure. The strategies are subject to the following material risks: Active Management Risk, Equity Risk, ETF Risk, General Investing Risk, Market Risk, Structured Management Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

The ***Parametric Energy MLP strategy*** invests in a portfolio consisting of master limited partnerships (MLPs) operating in the energy industry. The strategy's investment objective is to efficiently deliver the risk and return of the designated index in a tax-sensitive manner. The strategy typically invests in ten MLPs, which are rebalanced on an annual basis, thus providing the investor with exposure to the energy industry. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Equity Risk, General Investing Risk, Income Risk, Market Risk, Small Companies Risk, Structured Management Risk, Tax Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

<u>VOLATILITY RISK PREMIUM (VRP)</u>

Defensive Equity

The Defensive Equity strategy uses derivatives which seek to produce significantly lower return volatility and consistently favorable risk-adjusted returns compared to a fully invested equity portfolio. Over a full market cycle, the return objective of the strategy is to outperform a fully invested equity portfolio. The Defensive Equity strategy creates implicit downside protection through a core position in the designated index and Treasury securities, combined with fully covered short equity index call and put options. The strategy does not utilize leverage. The Defensive Equity strategy uses a disciplined implementation process that adapts to changing market volatility without the need for market timing or forecasts. The strategy is subject to the following material risks: Active Management Risk, Counterparty Risk Derivatives Risk, ETF Risk, General Investing Risk, Hedge Correlation Risk, Interest Rate Risk, Market Risk, Maturity Risk, Option Strategy Risk, Structured Management Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Global Defensive Equity

The Global Defensive Equity (GDE) strategy seeks to achieve attractive risk-adjusted returns relative to the MSCI ACWI^{SM} Index across all market environments. The strategy structurally reduces equity market risk, while adding a relatively uncorrelated risk premium to enhance returns. GDE portfolios are constructed and managed to capitalize on the financial "volatility risk premium" that has historically been embedded in index option prices. GDE creates implicit downside protection through a core asset allocation that is split between equity and U.S. Treasury Bills. Equity index call and put options are then sold against these core positions. All short option positions are fully-covered in order to eliminate any potential leverage. The strategy is subject to the following material risks: Active Management Risk, Counterparty Risk, Derivatives Risk, ETF Risk, Foreign Markets Risk, General Investing Risk, Hedge Correlation Risk, Interest Rate Risk, Market Risk, Maturity Risk, Option Strategy Risk, Structured Management Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Multi-Asset Volatility Risk Premia

The Parametric Multi-Asset Volatility Risk Premia strategy is designed to capitalize on the observed historical tendency for option premiums across multiple asset classes to trade at implied volatility levels that exceed the subsequent level of actual (i.e. realized) market volatility. The strategy seeks, primarily, to capture volatility risk premium generally across four asset classes – equities, fixed income, commodities and currencies – by selling (i.e., writing) call and put options to buyers seeking financial insurance in exchange for a premium, or payment, from the option buyer. The strategy is subject to the following material risks: Active Management Risk, Allocation and Position Limits Risk, Commodities Risk, Counterparty Risk, Credit Risk, Currency Risk, Derivatives Risk, Equity Risk, ETF Risk, General Investing Risk, Hedge Correlation Risk, Interest Rate Risk, Leverage Risk, Market Risk, Maturity Risk, Structured Management Risk, Swap Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

DeltaShift

The DeltaShift strategy is a managed call writing program for investors who hold concentrated stock positions or equity portfolios. The DeltaShift strategy seeks to improve expected performance through the sale of equity or equity index call options. Portfolio volatility is reduced in exchange for the willingness to limit upside profit potential. Notwithstanding the strategy's objective, a sharp appreciation of a call option's underlying over a period of time may result in significant losses that could require the sale of some or all of the portfolio's shares or require for significant cash to be contributed to the portfolio to avoid the sale of such shares. A sharp appreciation can result from various causes including but not limited to: (i) positive news announcements concerning an issuer, sector or economy; (ii) better than expected earnings announcements; (iii) changes of analysts' expectations or ratings; or (iv) certain corporate actions including dividends, mergers and acquisitions. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Option Absolute Return Strategy

The Option Absolute Return strategy (OARS) is designed to serve as an overlay solution for a client's underlying equity or bond portfolio. OARS seeks to generate excess returns through the sale of index call spreads and index put spreads. Notwithstanding the strategy's objective, a sharp appreciation or depreciation of the underlying index over a short period of time may result in significant losses (still generally limited to the maximum 28 day drawdown identified in the Investment Management Agreement). Such movement may require for significant cash to be contributed to the portfolio to satisfy portfolio obligations. A sharp appreciation or depreciation can result from various causes including but not limited to: (i) news announcements concerning an issuer, sector or economy; (ii) unexpected earnings announcements; (iii) changes of analysts' expectations or ratings; or (iv) certain corporate actions including dividends, mergers and acquisitions. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Risk-Managed Put Selling

The Risk-Managed Put Selling strategy (RPS) seeks to generate excess returns through the sale of index put spreads. Notwithstanding the strategy's objective, a sharp depreciation of the underlying index over a short period of time may result in significant losses (still generally limited to the maximum 28 day drawdown identified in the Investment Management Agreement). Such movement may require for significant cash to be contributed to the portfolio to satisfy portfolio obligations. A sharp depreciation can result from various causes including but not limited to: (i) news announcements concerning an issuer, sector or economy; (ii) unexpected earnings announcements; (iii) changes of analysts' expectations or ratings; or (iv) certain corporate actions including dividends, mergers and acquisitions. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Dynamic Put Selling

The Dynamic Put Selling strategy (DPS) seeks to produce consistently positive absolute returns in all but significant down markets. DPS accounts may be funded or unfunded. For funded DPS accounts, the strategy consists of a core position in US Treasury securities, combined with fully covered short positions in S&P 500® Index put options. Its objective is to outperform the base portfolio of short-term US Treasury securities over a full market cycle with less volatility of the S&P 500. Unfunded DPS consists of short positions in S&P 500® Index put options collateralized by margin eligible assets owned by the client. For unfunded DPS accounts, the objective is absolute positive return. Notwithstanding the strategy's objective, a sharp depreciation of the underlying index over a short period of time may result in significant losses. For unfunded DPS, such movement may require for significant cash to be contributed to the portfolio to satisfy portfolio obligations. A sharp depreciation can result from various causes including but not limited to: (i) news announcements concerning an issuer, sector or economy; (ii) unexpected earnings announcements; (iii) changes of analysts' expectations or ratings; or (iv) certain corporate actions including dividends, mergers and acquisitions. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, ETF Risk, General Investing Risk, Hedge Correlation Risk, Interest Rate Risk, Market Risk, Maturity Risk, Option Strategy Risk, Structured Management Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Low Beta VRP

The Low Beta VRP strategy is designed to systematically capture a distinct and diversifying volatility risk premium. The strategy follows a transparent, rules-based investment process that targets an equity beta comparable to hedge funds, without the use of leverage. The strategy employs a mix of fully collateralized S&P 500® index put and call options to seek increased returns without increased risk. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk, Tax Straddle Risk, and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Elevated Beta VRP

The Elevated Beta VRP strategy is designed to capitalize on the tendency of implied volatility to exceed subsequent realized volatility. The strategy creates implicit downside protection through a core position in the S&P 500 and Treasury securities, and then systematically sells an equal blend of equity index and put options to capture the options-based volatility risk premium. The notional value of options is not expected to exceed the portfolio's market value. This strategy is designed to increase portfolio diversification at a lower cost than traditional alternative investments, without sacrificing liquidity. The strategy is subject to the following material risks: Active Management Risk, Concentration Risk, Derivatives Risk, Equity Risk, General Investing Risk, Hedge Correlation Risk, Market Risk, Option Strategy Risk, Structured Management Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Systematic Alternative Risk Premia

The Systematic Alternative Risk Premia strategy seeks to produce desirable risk-adjusted returns in an efficient, liquid and transparent manner by capturing risk premiums generated by value, carry and momentum factors. The strategy utilizes long/short futures and forwards positions across the following asset classes: fixed income, currencies, equities and commodities. Parametric employs risk management rules that guide a portfolio's leverage, liquidity and diversification. The strategy is subject to the following material risks: Active Management Risk, Allocation and Position Limits Risk, Commodities Risk, Counterparty Risk, Credit Risk, Currency Risk, Derivatives Risk, Equity Risk, ETF Risk, Foreign, Emerging and

Frontier Markets Risk, General Investing Risk, Hedge Correlation Risk, Interest Rate Risk, Leverage Risk, Market Risk, Maturity Risk, Structured Management Risk, Swap Risk and Tracking Error Risk. For a summary of each risk, see *Summary of Material Risks* below.

Summary of Material Risks

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

Allocation and Position Limits Risk. A client account's performance depends upon how its assets are allocated and reallocated, and an investor could lose money as a result of these allocation decisions and related constraints. The CFTC and the exchanges on which commodity interests (futures, options on futures and swaps) are traded may impose limitations governing the maximum number of positions on the same side of the market and involving the same underlying instrument that may be held by a single investor or group of related investors, whether acting alone or in concert with others (regardless of whether such contracts are held on the same or different exchanges or held or written in one or more accounts or through one or more brokers). A portfolio manager may trade for multiple accounts and the commodity interest positions of all such accounts will generally be required to be aggregated for purposes of determining compliance with position limits, position reporting and position "accountability" rules imposed by the CFTC or the various exchanges. Swaps positions in physical commodity swaps that are "economically equivalent" to futures and options on futures held by an account and similar accounts may also in the future be included in determining compliance with federal position rules, and the exchanges may impose their own rules covering these and other types of swaps. These trading and position limits, and any aggregation requirement, could materially limit the commodity interest positions the portfolio manager may take for an account and may cause the portfolio manager to close out an account's positions earlier than it might otherwise choose to do so.

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

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

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

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

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

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

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

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

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

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

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

Foreign, Emerging and Frontier Markets Risk. The value of a client portfolio may be adversely affected by changes in currency exchange rates and political and economic developments across multiple borders. In emerging or less developed countries, these risks can be more significant than in major markets in developed countries. Generally, investment markets in emerging and frontier countries are substantially smaller, less liquid and more volatile, and as a result, the value of a portfolio investing in emerging or frontier markets may be more volatile. Emerging and frontier market investments often are subject to speculative trading, which typically contributes to volatility. Emerging and frontier market countries also may have relatively unstable governments and economies. Trading in foreign, emerging and frontier markets usually involves higher expenses than trading in the U.S. A client portfolio investing in these markets may have difficulties enforcing its legal or contractual rights in a foreign country. Depositary receipts are subject to many of the risks associated with investing directly in foreign securities, including political and economic risks. While American Depository Receipts (ADRs) are denominated in U.S. dollars, they are still subject to currency exchange rate risks. ADRs are traded on U.S. market hours which do not match the local markets. Due to this, ADR prices are also subject to exchange rate fluctuations and market information outside of local market hours.

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

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

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

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

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

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

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

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

Municipal Bond Risk. The amount of public information available about municipal bonds is generally less than for corporate equities or bonds, meaning that the investment performance of municipal bond investments may be more dependent on the analytical abilities of EVM than stock or corporate bond investments. The secondary market for municipal bonds also tends to be less well-developed and less liquid than many other securities markets, which may limit an owner's ability to sell its municipal bonds at attractive prices. The spread between the price at which an obligation can be purchased and the price at which it can be sold may widen during periods of market distress. Less liquid obligations can become more difficult to value and be subject to erratic price movements. The increased presence of non-traditional participants or the absence of traditional participants in the municipal markets may lead to greater volatility in the markets.

Option Strategy Risk. Certain client portfolios employ an option strategy that seeks to take advantage of a general excess of option price-implied volatilities for a specified index over the realized index volatilities. This market observation is often attributed to an excess of natural buyers over natural sellers of specified index options. There can be no assurance that this imbalance will apply in the future over specific periods or generally. It is possible that the imbalance could decrease or be eliminated by actions of investors that employ strategies seeking to take advantage of the imbalance, which would have an adverse effect on the client portfolio's ability to achieve its investment objective. Call and put spreads employed by certain strategies are based on a specified index or on exchange-traded funds that replicate the performance of certain indexes. In the case of an index, returns realized on call and put spread positions over each roll cycle will be determined by the performance of the index. If the index appreciates or depreciates sufficiently over the period to offset the net premium received, the client portfolio will incur a net loss. The amount of potential loss in the event of a sharp market movement is subject to a cap defined by the difference in strike prices between written and purchased call and put options, and the notional value of the positions. The value of the specified exchange-traded fund is subject to change as the values of the component securities fluctuate. Also, it may not exactly match the performance of the specified index. All options and other derivatives must be carefully considered.

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

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

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

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

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

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

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

Item 9—Disciplinary Information

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

Item 10—Other Financial Industry Activities and Affiliations

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

As detailed in Item 4, Parametric is a majority-owned subsidiary of Eaton Vance Corp. (EVC), a publicly held company traded on the NYSE. Parametric's Chief Executive Officer serves on the EVC Board of Directors. Parametric's principal owners are EVA Holdings LLC and Eaton Vance Acquisitions, which collectively own approximately 99.38% of Parametric. EVA Holdings LLC and Eaton Vance Acquisitions are wholly owned subsidiaries of EVC. As a subsidiary of EVC, Parametric has several relationships with affiliates which are material to its advisory business and its clients.

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

Parametric is under common control with Eaton Vance Distributors, Inc. (EVD), a broker-dealer registered with the SEC and a FINRA member firm. EVD is a wholly owned subsidiary of EVC. EVD is the principal underwriter and distributor of certain EV Funds. Parametric currently does not conduct any brokerage business with EVD. Parametric and EVD have entered into a revenue sharing agreement under which Parametric compensates EVD with a portion of the advisory fees earned by Parametric for certain client accounts. Certain Parametric sales personnel are registered representatives of EVD and receive compensation for promoting sales of EV Funds sub-advised by Parametric and for which Parametric receives a separate advisory fee.

Parametric is under common control with Eaton Vance Management (EVM), an investment adviser registered with the SEC. EVM is also registered as a Commodity Trading Adviser and Commodity Pool Operator with the CFTC through the NFA. EVM is a wholly owned subsidiary of EVC. Parametric has entered into an agreement with EVM whereby EVM provides to Parametric certain services such as accounting, human resources, information technology and legal. Parametric compensates EVM for the costs of these services. EVM serves as the investment adviser, transfer agent, and/or administrator to certain EV Funds and other unaffiliated client portfolios. Parametric has entered into sub-advisory agreements with EVM with respect to certain EV Funds and other unaffiliated client portfolios. Parametric also provides investment overlay services to EVM for certain client accounts utilizing certain EVM investment strategies. Pursuant to a revenue sharing agreement between EVM and Parametric, Parametric receives a portion of the total fees paid to EVM for such accounts. Parametric and EVM have also entered into a mutual solicitation agreement whereby one party will compensate the other for certain client referrals.

Parametric is under common control with Calvert Research and Management (CRM), an investment adviser registered with the SEC. CRM is a wholly owned subsidiary of EVM. CRM serves as an investment adviser to various separate accounts and pooled funds, including registered investment companies underwritten by EVD (the Calvert Funds). Certain employees of Parametric provide portfolio management services to certain separate accounts and Calvert Funds on behalf of CRM.

Parametric is under common control with Boston Management and Research (BMR), an investment adviser registered with the SEC. BMR is also registered as a Commodity Trading Adviser and Commodity Pool Operator with the CFTC through the NFA. BMR is an indirect, wholly owned subsidiary of EVC. BMR serves as the investment adviser to certain EV Funds. Parametric has entered into sub-advisory agreements with BMR with respect to certain EV Funds.

Parametric is under common control with Eaton Vance Advisers International Ltd. (EVAL) and Eaton Vance Management (International) Limited (EVMI). EVAIL and EVMI are subsidiaries of EVM. EVAIL and EVMI each serve as the investment adviser or distributor to certain Offshore Funds. Parametric has entered into sub-advisory agreements with EVAIL and EVMI with respect to certain Offshore Funds and other unaffiliated client portfolios.

Parametric is under common control with Eaton Vance Trust Company (EVTC), a limited-purpose trust company organized under the laws of Maine. EVTC is owned by EVC. EVTC serves as trustee to common trust funds and collective investment trusts for which Parametric serves as the sub-adviser.

Parametric has organized and serves as the investment adviser to certain private investment companies that are exempt from registration (PPA Private Funds). Parametric serves as the managing member of the Parametric Defensive Equity Fund LLC, the Parametric Global Defensive Equity Fund LLC, the Parametric Liquid Alternative Fund LLC and the Parametric Multi-Asset Volatility Risk Premium Fund, LLC. Parametric also serves as the general partner, either directly or through an interposed entity, of the Parametric TMEMC Fund, L.P. Parametric is the Investment Manager of the Parametric, Research Affiliates Systematic Alternative Risk Premia Fund, Ltd. The PPA Private Funds are only offered to sophisticated investors that are qualified purchasers.

Investment strategies and products of Parametric, EVM and other affiliates are cross-marketed. Parametric works closely with its affiliates to jointly market advisory services and strategic investment strategies to institutional investors and high-net-worth individuals, and refers clients to its affiliates when appropriate.

These shared marketing efforts and sales referrals result in intercompany transfers and cost-sharing payments between Parametric and its affiliates.

Item 11—Code of Ethics

In accordance with Rule 204A-1, Parametric has adopted a written Code of Ethics (the Code) that is applicable to all employees and other supervised persons of the firm (collectively Access Persons). The Code sets high standards for the personal and professional conduct of Access Persons and emphasizes their fiduciary duty to the firm's clients. The primary focus of the Code is personal securities trading. Consistent with Rule 204A-1, the Code imposes various reporting obligations on Access Persons and restricts their ability to personally trade securities. These restrictions include holding requirements and daily transaction limits. All Access Persons of Parametric must acknowledge, in writing, that they have read, understand and fully agree to comply with the Code.

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

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

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

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

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

Item 12—Brokerage Practices

Parametric is generally assigned full investment authority and discretion to purchase, sell or exchange client assets in accordance with the client's specified investment objective or strategy. Unless directed otherwise, Parametric is also authorized to select the broker-dealers to be used to execute securities transactions on behalf of client accounts. As noted earlier, Parametric advises its clients from and maintains trading desks at its offices located in Seattle, Minneapolis and Westport. For strategies requiring trading in fixed income securities, Parametric may delegate fixed income trading and portfolio management to its affiliate EVM. Parametric does not maintain a trading desk at its offices in Boston or Sydney, Australia. Trading on behalf of Australian clients is conducted at the Seattle or Minneapolis trading desks. Parametric Seattle trades primarily in equity securities, including stocks of issuers located in developed, emerging and frontier markets, depository receipts, participatory notes, exchange-traded funds, closed-end funds and foreign currencies. Parametric Minneapolis trades primarily in futures, options, exchange-traded funds, swaps, forwards and Treasury securities. Parametric Westport trades exclusively in equity and equity index put and call options. In some cases, a client's portfolio is managed by more than one office. It is unlikely that one trading desk would compete with the others when implementing buy and sell transactions. The Seattle Best Execution Committee monitors the trading activities of the Seattle office. The Minneapolis Best Execution Committee monitors the trading activities of the Minneapolis and Westport offices.

Best Execution

Parametric has a fiduciary obligation to act, at all times, in the best interest of its clients and to seek best overall execution in client trading. The firm generally has the authority to execute trades through any broker-dealer, dealer and/or exchange it deems appropriate, and may negotiate commission and similar fees and expenses. To guide investment personnel in seeking best execution, Parametric only uses brokers or counterparties which have been pre-approved by the firm's Best Execution Committees. Parametric does not consider the promotion or sale of mutual funds or other products affiliated with or managed by Parametric or its affiliates when selecting brokers to execute client transactions. Parametric carefully monitors and evaluates transaction costs and the quality of execution across all strategies and client portfolios. Parametric Seattle utilizes the services of third-party service providers, such as ITG, to assist with best execution analysis. Additionally, Parametric Minneapolis utilizes certain transaction information provided by electronic execution platforms and a third party service provider for options executions to assist with best execution analysis. In analyzing best overall execution, Parametric considers various factors, including but not limited to: specific market and trading impact, number of shares being traded, share price, trading costs, exchange costs, and other material inputs.

Parametric always seeks to effect transactions at the price, commission and other relevant factors that provide the most favorable total overall cost or proceeds reasonably attainable given the circumstances. Parametric may consider various factors when selecting a broker-dealer, including but not limited to: the nature of the portfolio transaction; the size of the transaction; the execution, clearing and settlement capabilities of the broker-dealer; the broker-dealer's experience and ability to place difficult trades; access to markets; the reputation, financial strength and stability of the broker-dealer; availability of alternative trading platforms; the desired timing of the transaction, and confidentiality. Parametric tracks trade order volumes and commissions paid to approved brokers for use in evaluating the firm's trading practices and for client reporting purposes.

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

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

Soft Dollars

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

Client Directed Brokerage

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

- Parametric has existing integrated trading and reporting systems with some broker-dealers which reduce the cost of transacting business with those broker-dealers.
- A client who directs Parametric to use a specific broker-dealer often pays higher commissions on some transactions than might be attainable by Parametric, or may receive less favorable execution on some transactions, or both.
- A client who directs Parametric to use a specific broker-dealer may forego any benefit from savings on execution costs that Parametric could obtain for its clients through negotiating volume discounts on batched transactions.
- Parametric may not begin to execute client securities transactions with broker-dealers that have been directed by clients until all non-directed brokerage orders are complete.
- Clients directing brokerage may not generate returns equal to clients that do not direct brokerage.

FX Transactions

Portfolio transactions in foreign currencies or in overseas markets often involve foreign currency transactions when settling trades, adding/removing unwanted currency exposure, or when converting or repatriating dividends and proceeds from other corporate actions. In situations where currency transactions are not required or otherwise mandated by the custodian, Parametric conducts foreign exchange transactions for portfolios with approved counterparties. When executing these transactions for clients, Parametric recognizes its responsibility to seek best execution for the portfolio and to pursue favorable rates with foreign exchange broker-dealers.

Trade Aggregation and Allocation

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

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

As noted in Item 10, Parametric has organized and serves as the investment adviser to the PPA Private Funds. Parametric trades these portfolios in the same manner as other portfolios, using the same broker-dealers who charge the same rates. These portfolios participate in the same block trade allocation procedures and do not receive any benefits not accorded to other managed accounts.

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

The trade allocation process is automated within the firm's order management systems. When an aggregated order is completed in its entirety, the order will then be allocated to accounts in accordance with the preliminary allocation schedule, or on a pro rata basis if the order is only partially filled. For certain securities and derivatives which may have liquidity or other trading limitations, it may be necessary to place the order before setting the allocation among the participating accounts. In such instances, the allocation will be completed as soon as reasonably possible after execution. In any event, allocations must be placed or defined no later than the end of the trading day. Fully executed orders will receive the average price obtained in the trades. Partially filled orders will be allocated pro rata based on the original predetermined allocation, on an average price basis, subject to certain limited exceptions. If the allocation is de minimis (i.e., disproportionately small in relation to the size of the account or strategy), the allocation may be reallocated to other participating accounts which remain unfilled. There may be situations in certain portfolios where non pro-rata trade allocations occur due to limited liquidity or market rules. Records shall be kept by traders and/or portfolio managers supporting the reason for any such reallocation.

Trade Rotation

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

Parametric Seattle’s trade rotation procedures are generally applicable to equity securities only. Parametric Minneapolis and Westport have trading procedures that are designed to ensure that participating client accounts are treated fairly and equitably within its investment strategies, which utilize fixed-income securities, derivatives and other financial instruments that are typically provided to clients who are not subject to directed brokerage requirements or allocation restrictions. As such, Parametric Minneapolis and Westport follow the firm’s trade allocation and aggregation procedures when trading non-equity securities.

Model Rotation

Parametric has entered into agreements with wrap fee program sponsors with whom Parametric provides investment advisory services to an overlay manager in connection with their provision of investment advisory services to program participants. Under these agreements, Parametric’s advisory services are limited to the regular provision of a model portfolio to the overlay manager, who is responsible for implementation of the model, including the purchase and sale of securities in client accounts. Parametric also manages fully discretionary client portfolios using these models. In accordance with its policy to treat all clients fairly and equitably over time, Parametric has implemented procedures whereby Parametric rotates the order in which each model is released to the overlay managers and traded internally on behalf of Parametric clients. By rotating the order in which the model is released or traded, Parametric ensures it is not competing with the overlay managers when trading portfolio holdings in the marketplace.

Wrap Accounts

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

Counterparties

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

Trade Errors

On occasion, Parametric or a broker-dealer will make an error when executing a securities transaction on behalf of a client account. In accordance with its fiduciary obligation to each client, Parametric will seek to correct trade errors promptly, fairly, and consistently. Parametric will reimburse a client for losses resulting from a Parametric error or subsequent actions taken to correct the error in the client's account. Parametric will not correct an error in a manner which favors one client at the expense of another client. Parametric will not intentionally profit or benefit from the correction of a trade error. Brokerage commissions from client transactions will not be used to correct trade errors or compensate broker-dealers for erroneous trades.

Item 13—Review of Accounts

Parametric Seattle

In addition to ongoing daily management of accounts, Parametric Seattle reviews all of its investment advisory accounts on an exception basis in the monthly Portfolio Management Committee meetings. The individuals performing this review include Parametric Seattle's Chief Investment Officer, Head of Investment Management, Managing Directors of Portfolio Management, Head of Investment Strategy, Directors of Research, Senior Researchers and Directors of Portfolio Management. As part of such review, an account's investment strategy, performance and other factors are analyzed. A determination is then made as to whether an account's respective strategy requires alteration in light of its investment objectives and restrictions.

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

Parametric Seattle provides written reports to clients on at least a quarterly basis. These reports are delivered directly by mail, electronically by email, or are accessible to clients via a password-protected website portal. The frequency of reports and method of their delivery vary from client to client. Such reports generally consist of an account valuation combined with both a pre- and post-tax performance summary and analysis (when applicable). Performance, cost basis, unrealized gain/losses, and realized gains/losses calculated and reported by Parametric may vary from official custodial statements based on different accounting procedures, reporting dates or valuation methodologies for certain securities. Client performance summaries and any related data produced by Parametric are not audited. Clients are encouraged to carefully review and compare the official custodial records with the various data and performance statistics reported by Parametric. Reporting to clients in sub-advisory or wrap fee programs where Parametric is the sub-adviser is generally provided by the program sponsor; content will vary by program. Upon request, Parametric may provide a detailed inventory of all holdings, a transaction summary, a listing of all dividend and income payments received, and a realized gain and loss report. Reports provided by Parametric are not audited and may differ from statements provided by client custodians. If a client chooses not to receive a statement from Parametric, the firm will reasonably assume and will rely on such assumption that the custodian is a "qualified custodian" under the Advisers Act and is providing the client with quarterly statements in accordance with Rule 206(4)-2 promulgated under the Advisors Act.

Parametric Minneapolis & Westport

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

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

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

Item 14—Client Referrals and Other Compensation

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

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

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

Item 15—Custody

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

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

Item 16—Investment Discretion

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

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

Certain client relationships are non-discretionary. In these cases, Parametric executes transactions as specifically directed by the client.

Class Actions and Other Legal Proceedings

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

Item 17—Voting Client Securities

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

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

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

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

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

- Provide clients with the Proxy Voting Policies and Procedures upon request, which may be updated and supplemented from time to time.
- Apply the policy consistently and keep records of votes for each client in order to verify the consistency of such voting.
- Keep records of such proxy voting available for inspection by the client or governmental agencies to determine whether such votes were consistent with policy and demonstrate that Parametric voted all proxies.
- Monitor such voting for any potential conflicts of interest and maintain procedures to deal with these issues appropriately.

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

Proxy Voting Committee

Parametric has established a proxy voting committee (the Committee), which meets on a quarterly basis to oversee and monitor the firm's proxy voting practices. The Committee is comprised of senior managers representing Operations, Compliance, Investment Strategy, and Portfolio Management. The Committee is responsible for making vote determinations for ballots items that are not addressed by the Guidelines. When doing so, the Committee may consider research and guidance issued by third party proxy service providers. The Committee will review any requests from clients or Parametric employees as how to vote a particular proxy. Parametric will not accept instruction unless it has been requested by Parametric due to a conflict of interest. On an annual basis, the Committee will review the Guidelines to ensure they are current, appropriate and designed to serve the best interests of clients and fund shareholders and recommend changes to the Stewardship Committee.

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

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

Conflicts of Interest

Parametric will identify and actively monitor potential material conflicts of interest which may compromise its ability to vote a proxy ballot in the best interest of clients. Since the Guidelines are predetermined and designed to serve the best interest of clients, application of the Guidelines should, in most cases, adequately address any possible conflict of interest. Regardless, Parametric will monitor relationships that may result in a conflict of interest by and among its clients, Parametric or any affiliates by maintaining a list of actual or potentially conflicted companies. If Parametric is to vote a proxy ballot item not addressed by the Guidelines for a company on the list, the Manager, Investment Operations will report the potential conflict to the Committee to determine if a material conflict of interest exists. If it is determined that a material conflict of interest exists, Parametric will report the proxy issue and seek instruction on how to vote the proxy from the client, if an individual or a corporation; or the board of directors or committee thereof, if a mutual fund; or the adviser in arrangements where Parametric serves as the sub-adviser. The Committee will document its rationale when making determinations regarding potential conflicts of interest.

Record Keeping

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

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

- Proxy Voting Policy and Procedures
- All written client requests as they relate to proxy voting
- Any material research or other documentation related to proxy voting

To Obtain Proxy Voting Information

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

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

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

Item 18—Financial Information

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

PARAMETRIC PRIVACY NOTICE

Parametric Portfolio Associates LLC (Parametric) considers client privacy to be a fundamental aspect of its relationship with clients and is committed to safeguarding all client-related personal information as defined under the privacy rules published under Section 504 of the Gramm-Leach-Bliley Act, as amended. Parametric does not disclose non-public personal information concerning its clients, former clients, or investors in certain limited partnerships over which the firm acts as a general partner, to any other party or person except as permitted and/or required by law, an applicable regulatory authority, or as outlined below.

Parametric may, in limited circumstances, have the need to collect non-public personal information about its clients and investors in certain limited partnerships over which the firm acts as a general partner. This information may include but is not limited to:

- Name, address, telephone number, and tax identification number.
- Government issued identification such as a driver's license or passport.
- Assets, income, bank and investment accounts, credit information, custodian, IRS tax status or other financial or investment related information.
- Applications, subscriptions, suitability and similar forms or questionnaires.
- Legal documents such as trust agreements, financials, and ownership records.

Parametric may collect personal information when an individual account is opened or when the information is provided by that client's advisor. This material may be accumulated from sources such as account applications and related documents; other written, electronic or verbal correspondence; transactions; a brokerage or financial advisory firm, financial adviser or consultant; and/or information captured on Parametric's internet web site. Parametric retains the personal information of current and former clients in accordance with Rule 204-2 of the Investment Advisers Act of 1940.

Parametric may share client information with its affiliates or subsidiaries as needed to conduct business. From time to time, Parametric may engage the services of third-party vendors or consultants to assist with the management of client portfolios. In that respect, information will be provided on a need-to-know basis only and the external parties will agree to hold all such information confidential. Parametric may also disclose or share information, to the extent permitted by law, with other financial institutions with which Parametric and/or its clients have a joint business arrangement in managing and/or servicing the client.

Parametric's procedures are designed to restrict access to non-public personal information to appropriate personnel. Parametric maintains physical, electronic and procedural safeguards that comply with federal standards to safeguard current and past client related personal information.

Parametric does not sell non-public personal information to any external source and does not distribute this information to unrelated third-party providers unless necessary for business related purposes in connection with the servicing and management of client assets. Parametric cannot, however, guarantee clients against information theft which is beyond its reasonable technological abilities and controls.

Clients are provided with Parametric's Privacy Notice at the time their account is incepted. Parametric reserves the right to periodically review and revise its Privacy Notice and will provide updates when it is materially amended or as required by applicable law. At all times, a client may notify Parametric in writing to restrict all non-public personal information from being distributed (except to regulators and/or by law) to any external parties including affiliates, consultants, and client-related financial advisors. Clients are forewarned, however, that doing so may severely inhibit Parametric's ability to properly manage the client's assets and/or appropriately conduct business on behalf of the client. Please direct any questions or concerns to Parametric Compliance at 800 Fifth Avenue, Suite 2800, Seattle, WA 98104, or 206-694-5575.

Revised: March 25, 2019