

CITIGROUP GLOBAL MARKETS INC.

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CITIGROUP GLOBAL MARKETS INC.

This brochure provides clients with information about Citigroup Global Markets Inc. and the following investment management, consulting and monitoring programs and services it offers to clients of Citi Private Bank – a business of Citigroup Inc. that provides clients access to products and services worldwide through bank and non-bank affiliates:

- Manager Selection Program
- Legg Mason Private Portfolios Program
- Umbrella Portfolios Investment Management Program
- Consulting and Evaluation Services Program
- The Tailored Portfolio Group Program
- Select Portfolios Program
- Select ETF Allocations Program
- Select UMA Program
- Fiduciary Asset Management Program

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Schedule H of Form ADV
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INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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INTRODUCTION

Citigroup Global Markets Inc. (“CGMI”) provides a variety of services designed to meet the varying investment advisory and related needs of individual and institutional clients. Each program described in this brochure is offered to clients of Citi Private Bank a business of Citibank, N.A. (“CPB”) and an affiliate of CGMI that provides clients access to products and services worldwide through bank and non-bank affiliates. Citibank, N.A. and CGMI are subsidiaries of Citigroup Inc. (“Citigroup”). The programs described in this brochure offer some or all of the following services: selection of, or assistance in selecting, an investment adviser; ongoing evaluation and review of investment advisers; evaluation and review of the composition of selected portfolios; discretionary portfolio management; custody; execution; and reports of activity in a client’s account. Certain programs and services described in this brochure facilitate the retention, by a client, or by CPB on a client’s behalf, of investment management firms for the provision of portfolio management services. Information related to each specific investment manager may be contained in a separate brochure, and available upon request through a client’s Private Banker who is an Investment Advisor Representative of CGMI.

Clients should read and consider carefully the information contained in both this brochure and any relevant investment manager brochure. While CGMI believes that its professional investment advice can work to benefit many clients, there is no assurance that the objectives of any client in any of the programs described will be achieved.

MANAGER SELECTION PROGRAM

In the Manager Selection Program, CPB through CGMI retains unaffiliated investment management firms to manage client accounts and also provides custody, execution and related services for a single asset-based fee. The minimum account size for equity, balanced and fixed income accounts generally start at \$100,000. However, certain investment managers, firms and investment styles may require different minimums. Many of the investment management firms CPB, through CGMI, may retain for clients of the Manager Selection Program are otherwise available only to clients with significantly greater assets to invest.

Services Provided

In the Manager Selection Program, the client’s Private Banker analyzes a client’s investment objectives and CPB through CGMI retains on the client’s behalf one or more investment management firms to manage assets in accordance with those objectives. In this program, the client enters into an agreement with CPB wherein CPB agrees to provide, among other things, ongoing review of investment management firms and in a limited circumstance discretion to replace such investment management firms. CGMI separately contracts with such firms for their provision of services. CPB, in turn, separately contracts with CGMI to allow for the use of these investment management firms to manage the assets of CPB clients.

Certain investment management firms retained by CPB, through CGMI, are affiliated with Legg Mason, Inc. (“Legg Mason”). If one of these firms is selected, CGMI also acts as the overlay manager for certain Legg Mason affiliated investment managers (the “Overlay Manager”). For more information regarding the services CGMI provides as Overlay Manager, see “CGMI’S ROLE AS OVERLAY MANAGER” below. If the chosen investment management firm retained by CPB, through CGMI, is not affiliated with Legg Mason, management functions will be provided by the investment management firm and CGMI will not provide overlay management services.

CPB also offers blended portfolios through a multi-style product including both equity and fixed-income securities of various risk and return characteristics. The minimum account size for the multi-style product generally starts at \$100,000, although certain investment managers and firms may establish different minimums.

Although clients are not prohibited from directly contacting an investment management firm retained to manage their accounts, clients are encouraged to use their Private Banker as their primary contacts.

Establishment of Client Objectives

Clients work with their Private Banker to establish the investment objectives for each of their accounts. As part of this process, an investment suitability form is completed with respect to the client. This document is transmitted to CGMI for analysis.

Evaluation and Selection of Investment Management Firms

CGMI will recommend one or more investment management firms to provide portfolio management of client accounts, based on each client's objectives and circumstances. CGMI retains only investment managers that have been evaluated and reviewed as described below in the section entitled "Research in Advisory Programs", and in the multi-style product, only investment managers who are capable of managing blended portfolios within a single account.

Investment managers must be reviewed and evaluated, either through Opinion Research or Access Research, by CGMI's Investment Advisor Research group ("IAR") to be eligible to be an investment manager in the Manager Selection Program.

In the event of a Manager Downgrade, where an investment manager no longer meets the Opinion and Access Research standards and CGMI determines that it is advisable and in the best interest of a client, CGMI may terminate an investment management firm's management of the client's account or stop recommending new client assets to such firm in the Manager Selection Program. Also in the event of a Manager Downgrade by CGMI, CPB, in turn, may transfer a client's assets from one manager to another in the Manager Selection Program. Before a manager is engaged or a client's assets are transferred from the current manager to another manager, CPB will attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the client. It is understood, however, that CPB need not seek or obtain the client's concurrence if CPB has been unable to obtain oral or written direction from the client regarding the change in managers.

IAR also maintains a "Watch" policy for investment managers in its Manager Selection Program. IAR's "Watch" policy is more fully described below under "Watch Policy". A Watch Status may, but is not certain to, result in a downgrade of the product's recommended status.

Account Information

CGMI/CPB confirms all transactions and provides account statements at least quarterly. Clients also receive periodically a Performance Review, which is an extensive statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the Manager Selection Program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, the investment manager will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, the investment manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The Manager Selection Program is available only on the basis of an asset-based fee paid to CPB. This fee covers the services described above (including the investment manager's fee), as well as custody of securities and trade execution with or through CGMI. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the investment manager to firms other than CGMI for execution. Transactions in fixed income and certain other securities generally involve payment of mark-ups or mark-downs or other charges to dealers other than CGMI in addition to the asset-based fees. See "GENERAL ACCOUNT INFORMATION — Additional Information Regarding Fees and Charges." The standard annual fees are as follows:

MANAGER SELECTION PROGRAM

Equity, Balanced and Multi-Style Accounts

Assets	Annual Fee
First \$500,000	3.00%
Next \$500,000	2.20%
Next \$1 million	1.90%
Over \$2 million	1.70%

Fixed Income Accounts

Assets	Annual Fee
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1 million	0.85%
Over \$2 million	0.75%

CPB shall be entitled to a minimum annual fee of \$1,500 for Equity portfolios, and \$1,250 for Fixed Income portfolios. In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled “Compensation from Funds”.

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. CPB pays 0.45% for equity, balanced and multi-style accounts and 0.30% for fixed accounts to CGMI. The portion of such asset-based fee paid by CGMI on to investment management firms depends upon the asset class, the investment style and the total amount of assets allocated to the investment manager in the Manager Selection Program. CGMI generally pays its investment managers based on the following table:

Investment Styles	Annual Manager Selection Program Fee
All Cap, Large Cap, Large Cap Balanced, Convertible Securities, Real Estate Investment Trusts (REITs)	Between 0.34% and 0.50%
Mid Cap	Between 0.40% and 0.50%
Multi-Style	Between 0.39% and 0.47%
Small Cap Small/Mid Cap	Between 0.43% and 0.50%
Fixed Income	Between 0.23% and 0.35%
Global, International or Emerging Markets, Non Diversified Portfolios	Between 0.36% and 0.48%

The investment manager fees listed herein are subject to change without notice. In the case of equity, balanced and multi-style accounts, CGMI and CPB segregates 0.45% of the fee which is charged to clients, or in the case of fixed income accounts 0.30% of the fee, and applies all or a portion of it to the asset-based fee paid to investment manager firms. When CGMI’s payment to a manager firm is less than the segregated amount (0.45% or 0.30% respectively), CGMI retains a larger portion of the fee charged to clients. When CGMI’s payment is greater than the segregated amount, CGMI supports the fee to the manager firm and in effect retains a lesser portion of the fee charged to clients. No portion of the segregated amount is paid to Private Bankers who, therefore, have no direct financial incentive to recommend one manager firm over another. However, Private Bankers’ compensation is directly affected by the size of the client’s annual fee. Therefore, Private Bankers may have an incentive to recommend equity, balanced and multi-style styles over fixed income, high yield and tax-managed index styles since the former have higher standard annual fees than the latter.

LEGG MASON PRIVATE PORTFOLIOS PROGRAM

Services Provided

Legg Mason Private Portfolios Program operates in a manner substantially similar to the Manager Selection Program. Differences from the Manager Selection Program are noted in this section. This program enables CPB clients to invest in investment portfolios offered by Legg Mason Private Portfolio Group, LLC (“LMPPG”). CPB facilitates the retention, on the client’s behalf, of CGMI as an Overlay Manager and one or more investment managers that serve as subadvisers to LMPPG (the “Subadvisers”) for the provision of portfolio management services. The Subadvisers available for new accounts in the Program currently are the following investment management firms: ClearBridge Advisors, LLC, Western Asset Management Company, Brandywine Global Investment Management, LLC and Global Currents Investment Management, LLC, each of which is affiliated with

LMPPG. CPB and LMPPG may agree from time to time to make additional Subadvisers available for new accounts in the program, including Subadvisers that are affiliated with Legg Mason and Subadvisers that are not affiliated with LMPPG. Which Subadvisers(s) are involved in managing a client's account will depend on the investment management portfolio selected by the client. For further detail regarding the operations of the Overlay Manager, see "CGMI'S ROLE AS THE OVERLAY MANAGER" below. Information related to the Subadvisers that are affiliated with LMPPG is contained in a separate brochure (the "Legg Mason Brochure"), which is available upon request through a client's Private Banker. CGMI is a subsidiary of Citigroup, Inc. ("Citigroup"). The Subadvisers and LMPPG are subsidiaries of Legg Mason, Inc. ("Legg Mason"). As of December 31, 2007, Citigroup had less than a 7% ownership interest in Legg Mason (including a voting interest of less than a 1%) and this relationship may be perceived as a potential conflict of interest. See "ABOUT CITIGROUP GLOBAL MARKETS INC. -- Citigroup/Legg Mason Transaction." The minimum account size for accounts in the Legg Mason Private Portfolios Program is generally \$250,000, although certain portfolio managers may establish different minimums.

Evaluation and Selection of Investment Management Firms

Legg Mason Private Portfolios Program undergoes an evaluation process through Opinion or Access Research similar to that described for the Manager Selection Program. If an investment management portfolio includes any mutual funds, those mutual funds may not have been evaluated or reviewed.

In the Legg Mason Private Portfolios Program, the client enters into an investment advisory agreement with CPB that provides CPB with the discretion to retain LMPPG, a Legg Mason affiliate and one or more Subadvisers on the client's behalf. CPB separately contracts with CGMI (who is also the Overlay Manager) and CGMI contracts with LMPPG, which arranges for the provision of the Subadvisers' services. For accounts involving equity investments, the Subadvisers instruct the Overlay Manager on securities to be bought and sold for investment management portfolios and the Overlay Manager manages client accounts in the program based on these instructions. These services are described in more detail in the CGMI'S ROLE AS THE OVERLAY MANAGER section below. For accounts involving fixed income investments, the Subadviser generally implements its own investment recommendations directly. In addition to single-style investment management portfolios, the Overlay Manager offers multi-style investment management portfolios, including portfolios that include both equity and fixed income styles.

Fees

Legg Mason Private Portfolios Program is available pursuant to the fees as provided below:

Fee Schedule: The standard fee will apply unless an alternate client fee is given. (Alternate client fee must be properly approved prior to account opening, see below.)	
Balanced and Equity Portfolios AUMs	Standard Fees
Wrap Fee	<input type="checkbox"/> Standard
On first \$500,000 On next \$500,000 On next \$1,000,000 On assets over \$2,000,000 Minimum annual fee	3.00% 2.20% 1.90% 1.70% \$3,125
Fee + Commission	<input type="checkbox"/> Standard
On first \$2,000,000 On the remainder Minimum annual fee	1.25% 0.75% \$3,125
Fixed Income Portfolios AUMs	<input type="checkbox"/> Standard
On first \$2,000,000 On the remainder Minimum annual fee	0.75% 0.50% \$1,875

The Legg Mason Private Portfolios Program is available on a fee plus commission basis or on an inclusive asset-based fee basis. CGMI may have a conflict of interest in the fee plus commission option since CGMI acts as an overlay manager. An inclusive fee covers the services described above (including fees of the Overlay Manager and applicable Subadvisers), as well as custody of securities and trade execution with or through CGMI. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the Overlay Manager or a Subadviser to firms other than CGMI for execution. Transactions in fixed income and certain other securities generally involve payment of mark-ups or mark-downs or other charges to dealers other than CGMI in addition to the asset-based fees. See “GENERAL ACCOUNT INFORMATION —Additional Information Regarding Fees and Charges”.

The client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled “Compensation from Funds”.

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance.

The portion of the asset-based fee paid by CGMI to LMPPG depends upon the asset class, the investment style the total amount of assets allocated to LMPPG in the Program and the assets in a client account. LMPPG generally receives fees based on the following table:

Account Type	Annual Manager (LMPPG) Fee
Equity & Balanced	0.45%
Strategic, Fixed Income	0.30%

Also, LMPPG pays a portion of its fee with respect to a client account to each Subadviser involved in providing investment management services for such account.

LMPPG fees listed above are subject to change without notice. Where the client is invested in some of the account types listed above, CPB retains a larger portion of the fee charged to clients, than when the client is invested in other account types. The Private Banker’s compensation is directly affected by the size of the client’s annual fee. Therefore the Private Banker may have an incentive to recommend equity, balanced and multi-style accounts over fixed income accounts since the former have higher standard annual fees than the latter.

UMBRELLA PORTFOLIOS PROGRAM

Services Provided

Under the Umbrella Portfolios Program (“Umbrella Portfolios”), the client selects from one or more of five portfolio objectives spanning a risk spectrum, based upon the client’s investment objectives, risk tolerance and investment time horizon for his/her assets, or the portion of his/her assets in each Account. A separate Account is established for each portfolio objective the client chooses. The five portfolio objectives available under the Umbrella Portfolios are: liquidity management and preservation of capital; income generation and capital preservation; modest capital appreciation and, secondly, preservation of capital; long-term growth of capital with moderate volatility; and maximum long-term growth of capital.

The first two, designated “Preservation Portfolios”, are for investors with a three to five year investment horizon who are seeking to maintain purchasing power, preserve capital, meet income needs and achieve consistent real growth of wealth. The last two, designated “Growth Portfolios”, are for investors with a five to ten year investment horizon who are seeking real growth of wealth and are willing to forgo income needs and withstand more volatility in order to achieve greater potential wealth enhancement. The third is designated the “Growth and Preservation Portfolio”, which is for investors with at least a four year investment horizon who are seeking modest capital appreciation, with preservation of capital as a secondary objective.

To implement the investment strategy for each portfolio objective (hereafter also referred to as a portfolio), the Global Portfolio Committee for Global Wealth Management (Global Wealth Management is a business of Citigroup, Inc. and comprises Citi Private Bank, Citi Smith Barney, and Citi Investment Research) (the “GWM Global

Portfolio Committee”), which includes representatives of CPB and CGMI, allocates each portfolio in varying percentages among various asset allocation categories and classes. Currently, asset allocation categories and classes are as follows: (i) cash and short term investments, including cash equivalents, (ii) fixed income investments, including short term municipal debt, municipal bonds, U.S. bonds, high yield/emerging market debt, (iii) equity investments, including, U.S. large capitalization, U.S. mid-capitalization, U.S. small capitalization, Europe, Japan, Asia Pacific (ex-Japan), emerging markets, and (iv) alternative investments, including hedge “fund of funds.” The asset allocation categories and classes utilized by the GWM Global Portfolio Committee are subject to change. The asset allocations established from time to time for a portfolio are developed by starting with a traditional baseline determined to be appropriate based on the portfolio’s investment objective and historical risk/ return data for various asset classes. Then strategic asset allocation concepts are applied by looking ahead ten years to determine how each asset class should be weighted in the investment portfolio to reflect its long-term economic and market forecast. Finally, tactical asset allocation concepts are applied by looking ahead three to twelve months to determine how to shift asset allocation weightings to reflect short-term economic and market forecasts. The asset allocations established reflect many variables. CPB and its affiliates may offer other investment management and other programs which may be based on different methodologies than the Umbrella Portfolios Investment Management Program and which might result in different asset allocations, asset classes or investments than the Umbrella Portfolios.

The GWM Global Portfolio Committee quarterly reviews and considers the asset allocation for each portfolio. In unusual market or economic circumstances, the GWM Investment Policy Committee may adjust a portfolio’s asset allocation more frequently, subject to subscription and redemption rules applicable with respect to underlying investment funds in which the portfolio’s assets are invested. The GWM Global Portfolio Committee is also responsible for determining whether to rebalance Accounts following market movements, or the out performance or underperformance of a portfolio or fund to bring the asset allocations for Accounts back into line with the applicable portfolio’s then current asset allocations and for determining the timing and manner of any such rebalancing. The asset allocation percentages currently in effect for a particular portfolio may be obtained through your Private Banker or other Citigroup representative. The minimum account size for new accounts in the Umbrella Portfolios Program is \$5 million.

The Manager; Portfolio Manager And Fund Selection; Portfolio Implementation

CPB serves as the discretionary investment advisor (the “Manager”) of the assets in the Umbrella Portfolios. The Manager is responsible for selecting the investment manager or fund for each asset class in a portfolio through the manager and fund selection process designated for the Umbrella Portfolios. The Manager has established a Private Bank Manager Selection Committee to select portfolio managers and funds, which may be affiliated or unaffiliated with Citigroup and the Manager. The Private Bank Manager Selection Committee has established various criteria that are used to screen affiliated and unaffiliated portfolio managers and funds. These criteria are subject to change from time to time. In addition, the Private Bank Manager Selection Committee may utilize the services of an independent consulting firm in the business of evaluating the capabilities of portfolio managers and funds to assist in the manager and fund selection process (in the case of asset classes other than those in the alternative investments category). The independent consulting firm will conduct a search in that asset class and recommend several candidates for the consideration and ultimate selection of the Private Bank Manager Selection Committee.

CGMI performs certain investment management and portfolio implementation services on behalf of the Accounts as the Overlay Manager. The Manager may delegate some of its rights and obligations set forth in the Investment Management Agreement to the Overlay Manager. In particular, the Overlay Manager shall be responsible for managing each Account consistent with (i) the asset allocations determined by the GWM Global Portfolio Committee, (ii) portfolio manager and fund selections made by the Private Bank Selection Committee, and (iii) a client’s limitations. For further details regarding the operations of the Overlay Manager, see “CGMI’S ROLE AS THE OVERLAY MANAGER” below.

In the case of assets to be managed by a portfolio manager on a separately managed account basis, the Overlay Manager shall for equity investment managers implement advice concerning securities purchases and sales based on instructions communicated to the Overlay Manager by the portfolio manager and in accordance with portfolio implementation rules communicated to the manager and the portfolio managers by the Overlay Manager. In some circumstances, a portfolio manager may communicate instructions to the Overlay Manager with respect to an Account trade after the portfolio manager has filled orders for the same trade for other clients of the portfolio

manager. **An Account may not receive as favorable price as would be the case if the trade had been made at the time that the portfolio manager placed orders for its other clients.** Therefore, the arrangement with the Overlay Manager may negatively impact on the performance of the Account. However, the Manager will periodically monitor portfolio managers' trading order process to ensure that an Account is not materially adversely affected. In the case of assets to be invested in investment funds, the Overlay Manager shall be responsible for the creation and execution of orders for the purchase and sale of shares/units in registered investment funds and the creation of orders and communication of same to manager for execution in unregistered investment funds on behalf of Accounts. The Overlay Manager shall rebalance Accounts based on instructions of the Manager and in accordance with portfolio implementation and coordination rules communicated to the manager. The overlay manager will not review or make any independent determination with respect to the merits of the portfolio manager's investment instructions and the decisions reflected therein.

The assets in each asset class are generally invested on a discretionary basis with a single portfolio manager or in a single investment fund chosen by the Private Bank Selection Committee, although multiple portfolio managers or funds may be used (and normally will be within the alternative investments asset allocation category).

The Selection Committee may select a fund or portfolio manager for an asset class that invests in securities outside of such asset class so long as the Selection Committee determines that such fund's or portfolio manager's primary focus is on securities within such asset class. In terms of performance criteria, a portfolio manager's or fund's performance generally will be assessed versus a performance benchmark for the relevant asset class and versus other portfolio managers and funds in the asset class for consistency of performance and style. In terms of qualitative criteria, the Selection Committee, in general, seeks to select portfolio managers and funds advised by managers that have stable teams, as evidenced by low staff turn-over rates and a well-defined investment management philosophy and process.

For eligible Client's, assets in the alternative investments asset allocation category are invested in one or more hedge "fund of funds", available in the form of interests in private investment funds. The process for selecting funds in the alternative investments category is more qualitative in nature than is the process for selecting managers and funds outside of the alternative investments category. Funds in the alternative investments category typically have incentive fee arrangements. Under such an arrangement, the manager of the alternative investment fund and the advisors and managers of underlying portfolios or funds may receive compensation based on appreciation in the fund's or underlying fund's or portfolio's assets. Such incentive fees may be an incentive to make investments that are riskier or more speculative than would be the case absent an incentive fee.

The Manager Selection Committee undertakes periodic reviews of a broad range of factors to determine whether each portfolio manager or fund remains appropriate for clients given their objectives going forward. Factors considered include investment performance, staffing, operational and compliance issues and financial condition. The Manager Selection Committee, working with its independent consulting firm (in the case of asset classes other than those in the alternative investments category), also consider as a factor, whether the portfolio manager or fund continues to satisfy the criteria that it applies in determining whether to include a portfolio manager or fund in the program in the first instance. The manager's personnel may interview each investment management firm periodically to discuss these matters. If the manager determines such an action to be advisable and in the best interest of its clients, the manager may, on a discretionary basis, terminate a portfolio manager's or fund's participation in the program and replace such portfolio manager or fund with another portfolio manager or fund selected by the Selection Committee. Accounts may be uninvested or invested in cash equivalents during the transition period to a new portfolio manager or fund for a particular asset class, especially in the case of the alternative investments asset allocation category.

The manager and the Overlay Manager are responsible for implementing the portfolio in each Account consistent with the portfolio investment objective chosen by a client and any special instructions or restrictions imposed by such client. Notwithstanding from time to time a client may obtain from a Private Banker or other Citigroup representative the asset allocation percentages currently in effect for a particular portfolio and the portfolio manager or fund chosen for each asset class for that portfolio, the process is dynamic and the Account management is fully discretionary. Therefore, any such information provided to a client is only illustrative in nature and may not represent the percentages of each asset class in a portfolio or the portfolio managers or funds in which the assets in an Account that a client opens will be invested. In addition, the manager and/or the Overlay Manager in its sole

discretion shall determine the timing of the investment of Account assets, and therefore, when an Account is opened, a period of time will elapse before all Account assets are fully invested under the program. There can be no assurance that the investment strategies applied by the manager in managing an Account will be successful or that the investment objectives of the portfolios available under the program will be achieved. An investment in the program and portfolios under the program involves risk, including possible loss of principal.

From time to time, the performance of portfolios available under the program, as well as Accounts in which they are held, may be compared to a benchmark established for the portfolios or the Accounts. There can be no assurance, and no representation or warranty of any kind is made by the manager, that any portfolio or Account will, over any period of time, achieve performance equal to or greater than the performance of its benchmark.

Fees

Assets	Annual IM Fee	
	Level I	Level II -V
On the first \$10 million	0.75%	1.00%
On the next \$10 million	0.50%	0.75%
On the next \$30 million	0.50%	0.50%
Over \$50 million	0.50%	0.50%

- There will be a 0.50% flat CPB IM fee for clients with over \$50 million of AUMs in Umbrella Portfolios.
- CPB IM Fee will be reduced but not below zero, by any trailer fee paid by a mutual fund to the manager. The CPB IM Fee does not include transaction fee and certain other transaction costs. Transaction fees for equity transactions completed by an affiliate of Citigroup, such as CGMI, may be up to \$0.06 per share.
- The client will bear a proportionate share of the fees and expenses incurred by any mutual funds or alternative investment funds included in an Umbrella Portfolio program. The prospectus or offering memorandum of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled “Compensation from Funds”.
- Some portfolio managers are compensated out of the CPB IM fee while other portfolio managers charge management and performance fees in addition to the CPB IM fee. Therefore CPB may have an incentive to recommend certain managers over others. CPB may enter into agreements with managers where Citibank receives a percentage of such management fee and performance fee charged by the portfolio manager, this is in addition to the CPB IM fee.
- For all portfolios, there is no portfolio level performance fee, but a performance fee is charged at both the hedge fund of funds level and the underlying hedge funds level.
- Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable monthly in arrears.
- For accounts that were previously invested in the Global Managed Portfolios Program, the investment advisory fee will be grandfathered at the initial contractual rate. Thus, the fees incurred may be higher or lower than the amount stated in the above fee schedule.

CONSULTING AND EVALUATION SERVICES

In the Consulting and Evaluation Services (“CES”) Program, the Private Banker provides clients with assistance in selecting one or more investment management firms to manage their accounts. CGMI may also provide trade execution, custody and related services. The minimum account size is established by the individual investment manager. In CES, the client typically enters into an investment advisory contract directly with the investment manager. Many investment management firms available through CES are otherwise available only to clients with significantly greater assets to invest.

Services Provided

In CES, the Private Banker analyzes a client's investment objectives and recommends one or more investment management firms in light of those objectives. Recommended managers are independent of CGMI and CPB.

CPB does not exercise discretion for CES clients with respect to the retention of an investment manager; instead, CPB makes manager recommendations, which the client may or may not follow. The client enters into an agreement with CPB relating to its services and also into a separate investment advisory agreement with the investment manager. The manager is responsible for the implementation of any restrictions placed by the client on the account. There are no restrictions on the client's ability to contact and consult directly with an investment manager, although clients are encouraged to discuss their accounts with their Private Bankers. In addition to providing consulting and evaluation services regarding the client's use of investment managers, CPB, through CGMI, may perform custody, execution and related services.

Recommendation of Investment Management Firms

Investment manager are evaluated through Opinion or Access Research, and periodically reviewed, as described in the Manager Selection Program and as described below in the section entitled "*Research in Advisory Programs.*"

As in the Manager Selection Program, changes in a client's objectives are communicated by CPB to the managers retained by the client. Because CES clients have independent contractual relationships with their investment management firms, CPB cannot terminate a manager or reduce the assets allocated to it in light of CGMI's review efforts. However, if those efforts indicate that doing so is in a client's best interests, CPB may recommend that the client take such action.

IAR also maintains a "Watch" Policy for investment managers in its CES program. CGMI's "Watch" Policy is more fully described below under "Watch Policy". A Watch Status may, but is not certain to, result in a downgrade of the product's recommended status.

Account Information

CPB/CGMI will confirm all transactions and provide account statements at least quarterly. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients whose assets are in CGMI's custody will periodically receive a Performance Review, which is an extensive statistical review and analysis of the account. The Performance Review is also available to clients whose assets are not in CGMI's custody, and a fee may be charged for this service.

Fees

CES services are available on an asset-based fee basis, where the clients' fees to CPB cover its services in reviewing and recommending investment managers as well as CGMI's custody of securities and trade execution. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the investment manager to firms other than CGMI for execution. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees. To the extent investment managers direct trades in such securities to CGMI for execution, CGMI may realize profits or losses in connection with such trades that are separate from or additional to the fees paid by the CES client but will not charge the client any mark-up or mark-down. See "GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges." Certain CES managers have entered into "prime brokerage" arrangements with CGMI; in which case, such managers may pay additional compensation to CGMI in consideration for such services. However, clients of such managers will not be charged any amount in addition to the manager fee and the fees charged by CPB. The standard annual CES asset-based fees charged by CPB are as follows:

CONSULTING AND EVALUATION SERVICES

Equity and Balanced Accounts	
Assets	Annual Fee
First \$500,000	2.20%

Fixed Income Accounts	
Assets	Annual Fee
First \$500,000	0.75%

Next \$500,000	1.70%
Next \$1 million	1.20%
Next \$3 million	0.65%
Next \$5 million	0.60%

Next \$500,000	0.55%
Next \$1 million	0.40%
Next \$3 million	0.25%
Next \$5 million	0.20%

Fees are negotiable based on the level of services provided and types of securities traded, which may result in a particular client paying a fee either greater than or less than the standard fees. For accounts larger than \$10 million, fees generally are arranged separately on the basis of services provided. Fees generally are payable quarterly in advance. In addition to fees paid to CPB, in the CES program, clients pay investment management fees separately to the investment manager. As an accommodation to the client, investment manager's fees may be payable through CPB, which debits the client's account and remits the advisory fee to the investment manager. CPB is not responsible for verifying the rate, or computing the manager fees or the value of the account used in this connection. In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled "Compensation from Funds".

THE TAILORED PORTFOLIO GROUPSM PROGRAM

In the Tailored Portfolio Group *individually managed portfolios*, CPB retains an affiliated investment management team to manage client accounts and provide discretionary management services. The minimum account size ranges from \$500,000 to \$10 million, depending on the strategy.

Services Provided

In the Tailored Portfolio Group *individually managed portfolios*, a CPB Private Banker analyzes a client's investment objectives and risk tolerance, and retains the Tailored Portfolio Group ("TPG") on the client's behalf to manage assets in accordance with those objectives. With the assistance of a CPB Private Banker, the client selects one or more of the investment portfolios offered by TPG (see below). In this program, the client enters into an investment advisory agreement with CPB, who has retained TPG to manage the client's accounts and provide discretionary management services.

The Tailored Portfolio Group is a business unit that conducts its portfolio management activities out of Citibank, N.A. and its overseas branches and subsidiaries. Citibank, N.A. is a national banking association supervised and examined by the Office of the Comptroller of the Currency and exempt from registration as an Investment Adviser under the Investment Advisers Act of 1940, and its overseas branches and subsidiaries are also subject to supervision and examination by the U.S. Federal Reserve and the UK Financial Services Authority and other local regulators.

Establishment of Client Objectives

Clients work with their CPB Private Banker to establish the investment objectives and risk tolerance for each of their accounts. As part of this process, an investment suitability form is completed with respect to the client.

Evaluation and Selection of Investment Portfolios

CPB will recommend one or more investment portfolios offered by TPG, based on each client's investment objectives and risk tolerance. With the assistance of a CPB Private Banker, the client selects one or more of these investment portfolios. Client may request in writing that the investment portfolio be changed to another portfolio offered by TPG, and CPB will implement that change as soon as is reasonably practicable.

Specifically, CPB may recommend (and the client may select) one or more of the following portfolios:

TPG U.S. Large Cap Core Portfolio: Portfolio is managed through a disciplined investment process and invests in attractively valued large capitalization companies that exhibit consistent growth of revenues and earnings and whose future growth potential is not necessarily reflected in current valuation. Minimum account size: \$5 million.

TPG International Equity Portfolio: Portfolio is primarily composed of common stocks of international companies. It is designed to provide investors with long term growth of capital along with broad international diversification among high quality, non-US stocks. Minimum account size: \$2 million.

TPG International ADR Portfolio: Portfolio is primarily composed of American Depository Receipts (ADR) of high quality, medium-to-large capitalization international companies. The portfolio is designed to provide investors with long-term capital appreciation along with broad international diversification across high-quality, non-US stocks. Minimum account size: \$500,000.

TPG Europe Equity Portfolio: Portfolio is primarily composed of equities issued by European companies. It is designed to provide investors with long-term capital appreciation and broad participation in the European markets. The portfolio is available in USD, EUR or GBP and is managed by the London based TPG team. Minimum account size: \$500,000 or equivalent.

TPG Islamic Global Equity Portfolio: Individually managed portfolio composed of global equities that conform to Islamic principles and investment criteria. The portfolio seeks to provide Islamic investors with the opportunity to participate in the long-term capital appreciation potential of global equity markets. The portfolio is available with Europe custody only. Minimum account size: \$3 million or equivalent.

Global Discretionary Portfolios/Plus: A range of asset allocation strategies spanning the risk-return spectrum available in individually managed accounts. Each of the individually managed portfolios are determined through a strategic and tactical process driven by Citigroup's global financial experts. The portfolios are available in USD, EUR or GBP and are managed by the London based TPG team. Minimum account size: \$1 million or equivalent (GDP) and \$3 million or equivalent (GDP+).

Tailored Discretionary Portfolio: Is designed to meet a client's individual investment goals and circumstances. The portfolio offers not only traditional asset classes but also provide diversification through the inclusion of multicurrency and alternative investments. The portfolio is customized in line with the client's specific investment profile. The portfolio is available in USD, EUR or GBP and is managed by the London based TPG team. Minimum account size: \$5 million or equivalent.

TPG U.S. Balanced Portfolio: Portfolio is intended to enhance current return while reducing volatility through a combination of large-cap equity securities and high quality fixed income securities. Clients can choose balanced portfolios with varying (25%/50%/60%/75%) equity portions. Minimum account size: \$5 million.

TPG U.S. Fixed Income Portfolio: Portfolio is managed in a manner intended to identify high quality issues that meet clients' individual needs for income or preservation of capital. Minimum account size: \$5 million.

TPG U.S. Enhanced Liquidity Portfolio: Individually managed short-term fixed income portfolio tailored to fit the specific needs and objectives of clients. It is suitable for clients with significant liquidity, a minimum investment horizon of one year and a low tendency for loss of principal. Minimum account size: \$10 million.

TPG Short-Term Global Bond Account: Individually managed fixed income portfolio designed to provide both income and a low level of exposure to any potential rise in interest rates. The portfolio focuses mainly on bonds with maturities between 1 and 3 years. The portfolio is available in USD, EUR or GBP and is managed by the London based TPG team. Minimum account size: \$1 million.

TPG Global Bond Account: Individually managed, diversified portfolio primarily investing in global fixed income instruments. The portfolio aims to provide broad participation in US and international bond markets with moderate volatility in returns. It is designed for clients seeking returns above deposit rates over a full business cycle. The portfolio is available in USD, EUR or GBP and is managed by the London based TPG team. Minimum account size: \$1 million.

TPG European Bond Account: Individually managed account primarily investing in European currency denominated fixed income securities in a range of maturities. It is designed to provide investors with broad participation in European bond markets, with total returns that should exceed deposits. The portfolio is

available in USD, EUR or GBP and is managed by the London based TPG team. Minimum account size: \$1 million.

TPG investment professionals may utilize or recommend equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, and U.S. Government Securities. TPG investment professionals apply a valuation-driven approach to equity investing focusing on high-quality undervalued securities with the following characteristics: high and consistent levels of return on capital, opportunities for growth, strong differentiation of products or services, shareholder-oriented management, exceptional leadership, and ability to generate strong cash flow. For US taxable portfolios, tax-efficiency is an additional consideration. TPG's proprietary Tax Aware Optimization Service (TAOS) is overlaid on the portfolio to create a tailored portfolio that attempts to balance risk, return and taxes while simultaneously meeting the unique tax needs of each client. When investing in fixed income securities, investment selection and execution is driven by determinations of relative price value, strategic compatibility, and overall portfolio objectives.

TPG investment professionals may obtain information to assist their securities analysis from a variety of sources, including, financial newspapers and magazines, news and wire services, inspections of corporate activities, proprietary and non-proprietary research reports, corporate rating services, annual reports and other public filings, and company press releases. TPG has also contracted with Batterymarch (BFM), a subsidiary of Legg Mason, Inc. to provide research inputs for the equity portfolios run by TPG.

Account Information

CPB confirms all transactions and provides account statements at least quarterly. Clients also receive periodically a Performance Review, which is an extensive statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the Tailored Portfolio Group program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, TPG will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, TPG may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The Tailored Portfolio Group program is available only on the basis of an asset-based fee paid to CPB. This fee covers the services described above (including the TPG's investment management fee), as well as custody of securities in some instances. Clients bear the cost of commissions or other transaction charges with respect to securities trades by TPG. Transactions in fixed income and certain other securities generally involve payment of mark-ups or mark-downs or other charges to dealers other than CGMI in addition to the asset-based fees. See "GENERAL ACCOUNT INFORMATION —Additional Information Regarding Fees and Charges." The standard annual fees are as follows:

TPG U.S. Enhanced Liquidity Portfolios

- 0.30% on the first \$10 million
- 0.25% on the next \$10 million
- 0.20% on the next \$30 million
- 0.15% on the remainder

TPG U.S. Fixed Income Portfolios

- 0.50% on the first \$5 million
- 0.40% on the remainder

TPG Short Term Global Bond Portfolio

- 0.60% on all assets
- 0.20% custody fee

TPG Global Bond Portfolio

- 1.20% on all assets
- 0.20% custody fee

TPG European Bond Portfolio

- 1.25% on all assets
- 0.20% custody fee

TPG U.S. Equity and Balanced Portfolios

- 1.00% on the first \$3 million
- 0.75% on the next \$2 million
- 0.50% on the remainder

TPG International Equity Portfolios

- 1.50% on the first \$2 million
- 0.75% on the remainder
- 0.50% on the remainder

TPG International ADR Portfolios

- 1.25% on the first \$2 million
- 0.75% on the remainder
- 0.50% on the remainder

TPG European Equity Portfolios

- 1.25% on all assets
- 0.20% custody fee

TPG Islamic Global Equity Portfolio

- 1.75% for \$3 to \$5 million
- 1.50% for \$5 million and above
- 0.20% custody fee

Global Discretionary Portfolios (GDP)

	\$1-3m	\$3-5m	\$5+m
Fixed Income	1.00%	0.85%	0.75%
Conservative	1.50%	1.25%	1.00%
Balanced	1.75%	1.50%	1.25%
Growth	1.75%	1.50%	1.25%
Equity	2.00%	1.75%	1.50%

- Investment Management (IM) Fee will be reduced but not below zero, by any trailer fee paid by a mutual fund held in the portfolio to the Manager.

Global Discretionary Portfolios Plus (GDP+)

	\$3-5m	\$5+m
Defensive	0.85%	0.75%
Conservative	1.25%	1.00%
Balanced	1.50%	1.25%
Growth	1.50%	1.25%
Aggressive	1.75%	1.50%

- Investment Management (IM) Fee will be reduced but not below zero, by any trailer fee paid by a mutual fund held in the portfolio to the Manager.

- There is no portfolio level performance fee, but a performance fee is charged at both the hedge fund of funds level and the underlying hedge funds level.

Tailored Discretionary Portfolios (TDP)

- 1.75% on all assets
- 0.20% custody fee
- Investment Management (IM) Fee will be reduced but not below zero, by any trailer fee paid by a mutual fund held in the portfolio to the Manager.
- There is no portfolio level performance fee, but a performance fee is charged at both the hedge fund of funds level and the underlying hedge funds level.

Transaction fee for equity transactions completed by an affiliate of Citigroup, such as CGMI, may be up to \$0.06 per share.

In addition, the client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled “Compensation from Funds.” Fees and minimum fees, as well as minimum account sizes, are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable monthly in arrears.

The portion of the asset-based fee paid by CPB to TPG is generally 50% of the client fee in the US. In Europe, CPB generally pays TPG 30 bps for fixed income portfolios and 45 bps for balanced and equity portfolios.

The TPG manager fees listed above are subject to change without notice.

CPB Private Bankers’ compensation is directly affected by the amount of the client’s annual fee. Therefore CPB Private Bankers may have an incentive to recommend equity, and balanced portfolios over fixed income portfolios since the former have higher standard annual fees than the latter.

SOFT-DOLLAR

The Tailored Portfolio Group, a business unit of Citibank, N.A. (“TPG”), manages certain portfolios that are offered to clients of Citi Private Bank. In connection with such management activities, TPG, in its sole discretion, may effect transactions on a best execution basis through or with broker-dealers, which could potentially include broker-dealers affiliated with TPG. In evaluating which broker-dealers will provide best execution, TPG may consider the full range and quality of a given broker-dealer’s services, including, among other things, (i) the value of research provided (ii) execution capability, (iii) financial responsibility, (iv) responsiveness and (v) other transaction related services (collectively, the “Services”). TPG may select broker-dealers that provide Services to TPG and may cause clients to pay such broker-dealers’ commissions (such payments being commonly referred to as “soft-dollars”) for effecting transactions in excess of the commission other broker-dealers may charge. To the extent permitted by law, such Services may be used for TPG’s own account or other client accounts. TPG shall comply with the safe harbor provisions of Section 28(e) of the Securities and Exchange Act of 1934, as amended, in connection with the evaluation and selection of any broker-dealer and the use of soft-dollars. TPG generally seeks to use soft-dollars to obtain research and other investment services that enhance the overall investment process for its clients.

If possible, TPG will negotiate for discounted commission rates for its clients from broker-dealers. Even if such discounted commission rates were to be viewed as competitive, however, there is still the possibility that lower commissions could be obtained from broker-dealers that do not offer some or any of the Services.

TPG has established a Brokerage Committee that reviews, among other things, the firm’s broker-deal selection and soft-dollar activities on a quarterly basis. The Brokerage Committee evaluates such matters as the Services provided and commission rates charged by a given broker-dealer, and monitors compliance with Section 28(e) of the Securities and Exchange Act of 1934, as amended.

SELECT PORTFOLIOS PROGRAM

The Select Portfolios (“Select Portfolios”) Program is a multi-disciplinary separate account, offering clients the portfolio management expertise of portfolio managers selected by CGMI in several different asset classes, within a single custodial account. The minimum account size for a Select Portfolios account starts at \$100,000 and may be up to, or exceed \$500,000 depending on the particular Portfolio selected. Clients should refer to their Private Banker regarding specific account minimums for the different Portfolios available through the Select Portfolios Program.

Services Provided

A CPB Private Banker, or a CPB affiliate employee, if applicable, assists the client in the review and evaluation of investment objectives through the use of a questionnaire and, if appropriate, updated confidential client information. Based on a review and evaluation of the client’s investment objectives, CPB Private Banker or a CPB affiliate employee, if applicable, and the client, select a portfolio (a “Portfolio”). A Portfolio is a multi-style investment approach consisting of multiple separately registered investment managers (each a “Sub-Manager” and collectively “Sub-Managers”) who provide recommendations to an unaffiliated investment manager (“Overlay Manager”).

Pursuant to an agreement with CGMI, the Overlay Manager shall invest the assets in each client account except that in certain strategies Sub-Managers are granted discretion by CGMI and the Overlay Manager to implement recommendations directly in coordination with the Overlay Manager. The Overlay Manager will seek to manage the client’s account in a manner consistent with the recommendations provided by the Sub-Managers, but the Overlay Manager may deviate, in its discretion, from such recommendations. If CGMI or an affiliate is acting as the Overlay Manager, the Overlay Manager may be compelled from time to time to refrain from trading in the securities of certain companies with which Citigroup has investment banking or other relationships. Please see the Sections below entitled “CGMI’S ROLE AS OVERLAY MANAGER” and “ABOUT CITIGROUP GLOBAL MARKETS INC. – *Potential Conflicts of Interest*”, for additional information. CGMI may change the Overlay Manager (which change may involve CGMI acting as the Overlay Manager itself) in its sole discretion at any time and for any reason. If there is a disruption in the services provided by the Overlay Manager for any reason, CGMI or an affiliate may act as the Overlay Manager during the period of the disruption. This may impact account performance. In addition, in the event of a disruption, CGMI may liquidate the applicable Portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents.

CGMI will enter into agreements with Sub-Managers to be responsible for providing recommendations to the Overlay Manager with respect to each of those strategies. Each Sub-Manager shall be selected from the universe of investment managers with which CGMI has entered into an agreement and which have been evaluated and deemed eligible through the Opinion or Access Research process. Please refer to the Section below entitled “*Research in Advisory Programs*”, for additional information on the evaluation and selection of Sub-Managers. CGMI may change the Sub-Managers in a Portfolio or the allocation of assets to investment strategies within a Portfolio at any time in its sole discretion. Before a new Portfolio is selected for a client’s assets, CPB will attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the client. However, CPB need not seek or obtain the client’s concurrence where obtaining concurrence of the client does not appear to be reasonably practicable.

In the Select Portfolios program, a client may elect tax management (“Tax Management”) services for the account. In order to elect Tax Management services, the client must complete and sign a Tax Management Services form, and deliver the signed form to CPB. Tax Management services may conflict with investment decisions of applicable Sub-Managers and/or CGMI or Overlay Manager rebalancing decisions. In the event of and to the extent of any such conflict, the Tax Management services selected by the client will prevail and contrary CGMI, Overlay Manager and/or Sub-Manager investment advice will not be implemented for as long as such advice is contrary to such Tax Management services. As a result (i) the account may not receive the benefits, including gains and avoided losses, of certain recommended purchases and sales of securities, and (ii) the account’s composition and performance may vary significantly from that of client accounts for which similar Tax Management services have not been selected.

Account Information

CGMI or its affiliates (if applicable) provides clients with confirmations of all transactions, account statements at least quarterly and a periodic Performance Review, which is an extensive statistical review and analysis of the account. Clients with a Select Portfolios account may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the Select Portfolios Program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, CGMI will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, CGMI may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The client pays an asset-based fee to CPB which covers investment advisory services, custody of securities, trade execution with or through CGMI, the Overlay Manager and Sub-Manager fees, as well as compensation to any CPB Private Banker. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally CGMI will not realize any additional compensation. See “GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges”. The standard annual fee for the Select Portfolios Program is as follows:

SELECT PORTFOLIOS PROGRAM

Equity and Balanced Accounts

Assets	Annual Fee
First \$500,000	3.00%
Next \$500,000	2.20%
Next \$1 million	1.90%
Over \$2 million	1.70%

CPB shall be entitled to a minimum annual fee of \$1,500. Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. Beginning on or about October 1, 2008, as a result of an acquisition, CGM will be the Overlay Manager for the Select Portfolios Program. Effective October 1, 2008, CPB segregates 0.45% of the fee which is charged to clients, applies a portion of the 0.45% to pay the Overlay Manager’s fee, and applies a portion of the 0.45% to pay the Sub-Managers’ asset-based fees. The Sub-Managers’ asset based fees (which are subject to change without notice) will as of October 1, 2008 range from 0.20% per year to 0.35% per year, depending on the Sub-Manager’s investment strategies and other factors. Therefore, the portion of the program fees that CPB and its affiliates will retain after October 1, 2008 will vary, depending on the amount used to pay the Sub-Managers. After October 1, 2008, CPB may have a conflict of interest in recommending Sub-Managers that result in CPB retaining a larger portion of the fee described above. However, no amount of the segregated fee is paid to Citi Private Bankers who, therefore, have no direct financial incentive to recommend one investment strategy over another.

SELECT ETF ALLOCATIONS PROGRAM

The Select ETF Allocations (“Select ETF Allocations”) Program is a discretionary multi-disciplinary account, offering clients unaffiliated Exchange Traded Funds (“ETFs”) combined with active asset allocation advice, within a single custodial account. The minimum account size for a Select ETF Allocations account is \$25,000.

Services Provided

A CPB Private Banker, or a CPB affiliate employee, if applicable, assists the client in the review and evaluation of investment objectives through the use of a questionnaire and, if appropriate, updated confidential client information.

Based on a review and evaluation of the client’s investment objectives, CPB Private Banker or a CPB affiliate employee, if applicable, and the client, select a portfolio (a “Portfolio”). A Portfolio is a multi-style investment approach consisting of multiple unaffiliated ETFs selected by CGMI, combined with asset allocation advice provided by CGMI. The ETF may, or may not, have been evaluated through the Opinion or Access research process.

As discussed in further detail in “CGMI’S ROLE AS OVERLAY MANAGER” below, CGMI acts as the Overlay Manager. The Overlay Manager shall, upon the specific instruction of CPB, invest and re-invest all of the assets in each Account and implement recommendations made by CPB. For each Portfolio selected, client acknowledges and understands that Overlay Manager will effect transactions in the Account only pursuant to the recommendations of CPB. CPB may change Overlay Managers in its sole discretion at any time and for any reason. This may impact account performance. In addition, in the event of a disruption, CPB may liquidate the applicable Portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents.

CGMI may change an ETF in a Portfolio or the allocation of assets to investment strategies within a Portfolio at any time in its sole discretion.

Also, before a new Portfolio is selected for client’s Account, CPB will attempt to notify client orally or in writing and will attempt to obtain the oral or written concurrence of client. It is understood, however, that CGMI need not seek or obtain client’s concurrence if it has been unable to obtain oral or written direction from client regarding the change in a Portfolio. Client may request in writing that a new Portfolio be selected for the Account, and CGMI will implement that change as soon as is reasonably practicable.

Account Information

CGMI provides clients with confirmations of all transactions, account statements at least quarterly and a periodic Performance Review, which is an extensive statistical review and analysis of the account. Clients with a Select ETF Allocations account may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive ETF and mutual fund prospectuses, where appropriate.

In the Select ETF Allocations Program, client may request in writing that certain specified ETFs or certain categories of ETFs, not be purchased for the Account. In the event that an ETF or category of ETFs is restricted, the portion of the account that would have been invested in such ETFs or categories of ETFs will be invested in cash equivalents or short-term fixed income instruments at the discretion of CGMI. Investment in cash equivalents or short-term fixed income instruments pursuant to such a restriction will impact the performance of the account relative to an account that is fully invested in ETFs. Because ETFs are pooled investment vehicles, it will not be possible for CGMI to accommodate requests for restrictions on individual securities.

Fees

The client pays an asset-based fee to CGMI, which covers investment advisory services, custody of securities, trade execution with or through CGMI, the Overlay Manager fees, as well as compensation to any CGMI Financial Advisor. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally CGMI will not realize any additional compensation. See “GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges”. The standard annual fee for the Select ETF Allocations Program is as follows:

SELECT ETF ALLOCATIONS PROGRAM

Assets	Annual Fee
First \$250,000	2.00%
Next \$250,000	1.75%
Next \$500,000	1.50%
Next \$1,000,000	1.25%
Next \$3,000,000	1.00%
Next \$2,500,000	0.75%

Over \$7,500,000	0.50%
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Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. The amount that the Overlay Manager receives will be between 0.03% and 0.04% of the fair market value of the account assets based on total program assets under management.

SELECT UMA PROGRAM

The Select UMA Program (“Select UMA”) program is a “Unified Managed Account” program. It is similar to the other Select programs. However, the Select UMA program offers a combined portfolio (the “Portfolio”) implemented by an investment manager (“Overlay Manager”) comprised of some or all of the following investment products (the “Investment Products”): (i) mutual funds, (ii) ETF’s (iii) securities which Overlay Manager shall invest in based on a model portfolio (the “Model Portfolio”) provided by one or more investment managers selected from those approved by CGMI (“Sub-Managers”), and/or (iv) securities in which an Executing Sub-Manager (as defined below) shall invest in based on its own investment decisions). Currently, CGMI is the Overlay Manager. Please refer to the Sections below entitled *Execution of Transactions When CGMI is the Overlay Manager*, CGMI’S ROLE AS OVERLAY MANAGER, and *Trade Allocations*, for more information on overlay manager services provided by CGMI. The minimum account size for a Select UMA account is \$50,000.

Services Provided

A CPB Private Banker, or a CPB affiliate employee, if applicable, assists the client in the review and evaluation of investment objectives for each account through the use of a questionnaire and, if appropriate, updated confidential client information. Based on a review and evaluation of the client’s investment objectives, the client, shall select a Portfolio. A Portfolio is a multi-style investment approach that allocates assets in the client account to specific investment strategies. In order to construct the Portfolio, the client will select a model (a “Model”), from among investment models pre-defined by CGMI. Each of the available Models will represent a different asset allocation appropriate for a different investment objective/risk tolerance. The client may choose to adopt the “tactical” version of the Model. If the client does not elect the “tactical” Model, the client will be deemed to have selected the “strategic” version. CGMI will be responsible for setting the asset allocation of each Model, and adjusting the asset allocation from time to time as CGMI deems appropriate. CGMI may leave the Model asset allocation unchanged for as long as CGMI deems appropriate. However, it is anticipated that CGMI will change the asset allocation of the tactical version more frequently than that of the strategic version. Typically, CGMI will change the tactical Model asset allocation several times per year, while CGMI will change the strategic version only about once per year. Changes in the asset allocation will likely result in transactions in the client account, and these transactions could have tax consequences for a taxable account.

Once the client has selected the Model, the client will construct the Portfolio by populating each asset class comprising the Model with one Investment Product. CPB will offer one or more of each of the following Investment Products for each asset class: mutual funds, ETFs and/or separate accounts which Overlay Manager shall invest in based on a Model Portfolio provided by one or more Sub-Managers (or which the Executing Sub-Managers (as defined below) invest in based on their own investment decisions). CGMI and Overlay Manager will enter into agreements with each of the Sub-Managers to be responsible for providing Model Portfolios to Overlay Manager or (in the case of Executing Sub-Managers) for investing assets in client accounts based on their own investment decisions.

In the client application and agreement with CPB, the clients authorize CGMI to engage each Sub-Manager that provides a Model Portfolio (or implements its investment decisions directly) for an Investment Product selected by CPB and the client, to act as investment adviser to the client. The client authorizes each Sub-Manager, as investment adviser to the client, to exercise discretion to select securities for the client’s account by (i) delivering a Model Portfolio to Overlay Manager, which Overlay Manager will implement (subject to any client instructions accepted by Overlay Manager); or (ii) (in the case of an Executing Sub-Manager) implementing its investment decisions directly.

Pursuant to an agreement with CGMI, Overlay Manager shall invest and re-invest the assets in each client account except that in certain strategies Sub-Managers (hereinafter “Executing Sub-Managers”; “Sub-Managers” includes “Executing Sub-Managers as the context requires herein) are granted discretion by CGMI to implement recommendations directly. The Overlay Manager will seek to manage the client’s account in a manner consistent with the Model and Investment Products selected by the client and the Model Portfolio provided by any applicable Sub-Manager, as qualified by any client instructions accepted by the Overlay Manager, including without limitation any instructions in connection with the client’s selection of Tax Management services for the account, as described below. CGMI may change the Overlay Manager (which change may involve CGMI selecting an Overlay Manager that is or is not affiliated with CGMI) in its sole discretion at any time and for any reason. If there is a disruption in the services provided by Overlay Manager for any reason, CGMI or an affiliate may act as Overlay Manager during the period of the disruption. This may impact account performance. In addition, in the event of a disruption, CGMI may liquidate the applicable Portfolio (in whole or in part), and invest the proceeds in money market funds or other cash equivalents.

Periodically, Overlay Manager will re-balance the client’s account in accordance with a re-balancing protocol specified by CGM and agreed to by Overlay Manager.

Each Sub-Manager, mutual fund and ETF included as an Investment Product shall be selected from the universe of Sub-Managers, mutual funds and ETFs with which CGMI has entered into an agreement (except for the ETF’s in which no agreement is entered into between CGMI and the ETF sponsor) and for which CGMI has performed research under CGMI’s “Access” research process or more rigorous “Opinion” research process and has determined that CPB can recommend the Investment Product. Please refer to the Section below entitled “*Research in Advisory Programs*”, for additional information on the evaluation and selection of mutual funds, ETFs and Sub-Managers comprising Investment Products. In the event of an “Investment Product Downgrade”, where an Investment Product is no longer approved for the Select UMA program and CGMI determines that it is advisable and in the best interest of a client, CGMI may transfer a client’s assets to a different Sub-Manager or other Investment Product. Before a new Investment Product is selected for a client’s assets CPB or an affiliate will attempt to notify the client orally or in writing and will attempt to obtain the oral or written concurrence of the client. However, CPB need not seek or obtain the client’s concurrence if CPB has not obtained oral or written direction from the client regarding the change in an Investment Product. Notwithstanding the preceding provisions of this paragraph, if the amount in an Investment Product in a client’s account falls below the minimum for that Investment Product (due to re-balancing, market activity or any other reason), CGM may transfer the client’s assets to another appropriate Investment Product for the same asset class, which Investment Product has a minimum investment for which the client’s account qualifies.

In the Select UMA program, a client may elect tax management (“Tax Management”) services for the account. In order to elect Tax Management services, the client must complete and sign a Tax Management Services form, and deliver the signed form to CPB. Tax Management services may conflict with investment decisions of applicable Sub-Managers and/or CGMI or Overlay Manager rebalancing decisions. In the event of and to the extent of any such conflict, the Tax Management services selected by the client will prevail and contrary CPB, CGMI, Overlay Manager and/or Sub-Manager investment advice will not be implemented for as long as such advice is contrary to such Tax Management services. As a result (i) the account may not receive the benefits, including gains and avoided losses, of certain recommended purchases and sales of securities, and (ii) the account’s composition and performance may vary significantly from that of client accounts for which similar Tax Management services have not been selected.

Account Information

CPB or its affiliates (if applicable) provides clients with confirmations of all transactions, account statements at least quarterly and a periodic Performance Review, which is an extensive statistical review and analysis of the account. Clients with a Select UMA account may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund or ETF prospectuses, where appropriate.

CPB or an affiliate will provide each client with a Form ADV Part II or similar document (the “Disclosure Document”) and privacy notice (the “Privacy Notice”) for the Overlay Manager, CGMI and each Sub-Manager. This document constitutes the Disclosure Document for the Overlay Manager and CGMI. In the client agreement,

each client consents to electronic delivery of Disclosure Documents and Privacy Notices for CGMI, CPB, Overlay Manager and each Sub-Manager. The client may revoke this consent to electronic delivery at any time by contacting the client's Private Banker, revoking the consent and requesting paper copies of the Disclosure Documents or Privacy Notices.

In the Select UMA Program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, the Overlay Manager will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, the Overlay Manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers. Restrictions imposed by a client on the management of the client's account will not apply to or affect the internal management of a mutual fund or exchange traded fund purchased for the account in accordance with the Portfolio selected by the client.

Fees

The client pays an asset-based fee to CPB, which covers investment advisory services, custody of securities, trade execution with or through CPB, as well as compensation to any Private Banker. However the Overlay Manager and Sub-Manager fees are separate from the client fee charged by CPB. The fee also covers the services provided under the Select UMA program by affiliates of CGMI. CGMI will receive a fee of 0.10% from all participating mutual funds for non-ERISA assets. Thus, CPB and CGMI may have a conflict to recommend mutual funds over separately managed accounts or ETF's. Also, certain transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally CGMI will not realize any additional compensation. See "GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges" and "Compensation from Funds". The standard annual fee for the Select UMA Program is as follows:

SELECT UMA PROGRAM

Assets	Annual Fee
First \$250,000	2.00%
Next \$250,000	1.75%
Next 500,000	1.50%
Next \$1 million	1.35%
Next \$3 million	1.25%
Next \$5 million	0.80%
Next \$15 million	0.40%
Next \$25 million	0.30%
Next \$50 million	0.20%
Next \$100 million	0.10%
Over \$200 million	0.05%

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance.

As indicated above, the mutual fund, ETF, Overlay Manager and Sub-Manager fees are separate from the client fee charged by CPB. The Overlay Manager fee is a 0.10% asset-based annual fee. The Sub-Manager fees will vary depending on the Sub-Manager and the investment strategy of the Sub-Manager. The asset-based annual fees of the Sub-Managers generally range from 0.20% to 0.75% for the Select UMA Program. For certain investment styles there may be a mutual fund and separate managed account offered by the same investment management firm and, therefore, the underlying investments in the separate managed account and the mutual fund may be substantially identical. Because the underlying expenses and fees of the separate managed account are generally lower than the comparable mutual fund, if the Client meets the minimum level of investment for the separate managed account, the Client may have a financial benefit to select the separate managed account as the investment product.

FIDUCIARY ASSET MANAGEMENT PROGRAM

In the Fiduciary Asset Management Program (“FAM” or “Fiduciary Asset Management”), client appoints CPB who in turn appoints CGMI as the discretionary investment manager, relative to the selection of unaffiliated investment management firms to manage the client’s accounts. In addition to investment management, CGMI also provides custodial, execution and related services for a single asset-based fee. FAM is a discretionary program in which CGMI retains discretion as to the selection and allocation among unaffiliated investment managers. The Investment Managers that are eligible for selection are evaluated through Opinion or Access Research, as described below in the section entitled “*Research in Advisory Programs.*” The Fiduciary Asset Management program is designed to manage the overall investment management process, including investment policy decisions, asset and investment style allocation decisions, manager selection and review, and comprehensive monitoring of each client’s investment portfolios. Fiduciary Asset Management is operated as a “manager of managers” program.

Services Provided

In Fiduciary Asset Management, CGMI’s Consulting Group manages the client’s portfolio on a discretionary basis. CGMI will assume responsibility for the implementation of all investment strategies through the selection-approval and ongoing monitoring of independent sub-advisors. Consulting Group also assumes full discretion over asset allocation decisions as well as decisions to terminate any sub-advisor relationships, and provides to the client ongoing financial-management services such as investment-performance reporting, administration, trade execution and custody. Based on a client’s long-term strategic policy allocation parameters and other investment constraints, Fiduciary Asset Management looks for opportunities in asset classes or investment styles with above average expected rates of return, while managing overall portfolio risk in accordance with the client’s investment policy. As a "manager of managers," CGMI assumes full responsibility for the ongoing operation of a comprehensive investment-management program in order to:

- Establish fund objectives
- Formulate investment policies
- Allocate assets
- Select investment managers
- Recordkeeping and reporting
- Control portfolio expenses
- Maintain custody
- Manage ERISA obligations

In order to assess the appropriateness of the underlying assets of the current portfolio, CGMI conducts a review of the investment policy, asset allocation, and fund assets, which follows these key steps:

- Investment Policy Statement – The preparation of an investment policy statement (“IPS”) is crucial in the evaluation of the client’s risk tolerance and investment objectives. Through the FAM program, CGMI will assist in the determination of the client’s absolute needs for liquidity, income, growth of income, growth of principal and preservation of capital. Developing an IPS assists the client in selecting and developing an investment strategy designed to optimize the probability of achieving their objectives. In addition, the IPS provides a framework, which enables the portfolio manager properly execute their fiduciary duty.
- Current Portfolio Analysis - CGMI will complete a thorough due-diligence evaluation of the client’s current investment programs, including investment structure, individual components of each fund, the fee structure, manager selection process, possible conflicts of interest, peer universe comparison within appropriate asset classes and ongoing evaluation procedures. The analysis will culminate in a business evaluation of all contracts, custodial documents, performance monitors and possible on-site visits with your current service providers.
- Asset Allocation Analysis– In addition to the evaluation of the current portfolio structure, CGMI will complete a detailed analysis of asset allocation and the basis for the asset-allocation decisions. The analysis will be completed to understand and evaluate the modeling process. The asset allocation input estimates the

frequency and basis for their updates. This is a key component in CGMI’s risk management evaluation for investment portfolios.

Account Information

CGMI provides confirmations for all transactions, as well as account statements at least quarterly. Periodically, clients will receive a Performance Review, which is an extensive statistical review and analysis of the account. Clients may elect to waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication. Clients may also receive mutual fund prospectuses, where appropriate.

In the FAM program, a client may request in writing that certain specified securities not be purchased for his or her account. Also, a client generally may specify that certain categories of securities not be purchased. In this event, the Manager will determine in its sole discretion the specific securities that will be treated as falling within the restricted category. In making this determination, the Manager may rely on outside sources, such as standard industry codes and research furnished by independent service providers.

Fees

The client pays an asset-based fee to CPB, which covers investment advisory services, the investment manager’s fee, custody of securities, trade execution with or through CGMI, as well as compensation to any CPB Private Banker. Clients bear the cost of commissions or other transaction charges with respect to securities trades directed by the investment manager to firms other than CGMI for execution. Transactions in fixed income and certain other securities may involve dealer mark-ups or mark-downs or other charges in addition to the asset-based fees, although generally CGMI will not realize any additional compensation. See “GENERAL ACCOUNT INFORMATION—Additional Information Regarding Fees and Charges”. The maximum annual fee for the Fiduciary Asset Management Program is the sum of the Annual Fee and the Investment Manager Fee as follows:

FIDUCIARY ASSET MANAGEMENT PROGRAM

Assets	Annual Fee	Investment Manager Fee Equity & Balanced	Investment Manager Fee Fixed-Income
First \$5,000,000	1.350%	1.00%	0.50%
Next \$5,000,000	0.800%	1.00%	0.50%
Next \$15,000,000	0.400%	1.00%	0.50%
Next \$25,000,000	0.300%	1.00%	0.50%
Next \$50,000,000	0.200%	1.00%	0.50%
Next \$100,000,000	0.100%	1.00%	0.50%

The client will bear a proportionate share of the fees and expenses incurred by any mutual funds in which the client is invested. The prospectus of each of these funds describes these internal fees and expenses in detail. For more information relating to fees please see the section below entitled “Compensation from Funds”.

Fees are negotiable based on a number of factors, which may result in a particular client paying a fee greater or less than the standard fees. Fees are generally payable quarterly in advance. CPB pays up to 1.00% for equity, balanced and multi-style accounts and 0.50% for fixed accounts to CGMI. The portion of such asset-based fee paid by CGMI on to investment management firms depends upon the asset class, the investment style and the total amount of assets allocated to the investment manager in the FAM Program.

GENERAL ACCOUNT INFORMATION

Client Information

In all the Programs, a Private Banker may ask the client to fill out a questionnaire and a suitability form that may request information from the client concerning the client’s financial situation and investment objectives. The Private Banker then submits the form to CGMI and/or CPB for final review. For certain programs, CPB then sends this

information to the investment manager selected to manage the account. Clients may update or change information at any time by contacting the client's Private Banker. Any changed information will be transmitted promptly to the investment manager selected to manage the client's account.

In all the Programs in which Clients have a beneficial ownership of individual securities, managers may be restricted from purchasing and selling Citigroup Inc. and affiliate securities on behalf of clients. If Citigroup, Inc. or affiliated securities are delivered to CPB as part of the initial funding of the account, managers may be required to sell those securities.

Education

Generally, a college degree or securities industry experience is required for CPB personnel providing investment advisory or consulting services, other than clerical or administrative services, to clients. A complete listing of each principal executive officer of CGMI and CPB as well as personnel having managerial or supervisory responsibility with regard to the investment management and consulting services described in this brochure can be found in the "BIOGRAPHICAL INFORMATION" section below.

Account Review and Supervision

Generally accounts are monitored on an on-going basis by the portfolio manager or Private Bankers and are subject to supervision. The portfolio manager's review of discretionary accounts includes a review of each purchase or sale, as well as monthly position reports.

Assignment of Portfolio Managers

In the Manager Selection, Legg Mason Private Portfolios, CES, Select Portfolios and Fiduciary Asset Management programs, the portfolio manager is assigned by the unaffiliated investment management firm.

Research in Advisory Programs

As noted in the specific programs described in this brochure, Citi Global Wealth Management Investment Advisor Research ("IAR") uses two methods to evaluate investment managers, mutual funds and other types of products, such as ETFs ("Program Investment Products"), in its various advisory programs: Opinion Research and Access Research. In general, Opinion Research entails a more rigorous and thorough evaluation of a Program Investment Product than Access Research and fewer investment options will qualify for approval under Opinion Research than Access Research. Program Investment Products that are approved under the Opinion Research process may be described as being on IAR's Focus List. Program Investment Products that are approved under the Access Research process may be described as being on IAR's Approved List. Certain Program Investment Products approved under either process may also be recommended based in part on tactical opportunities existing at a given time (a "Tactical Opportunities List"). It is important to note that not all Program Investment Products available in CGMI's advisory programs were approved or evaluated under Opinion or Access Research. The specific advisory programs that limit Program Investment Products only to those that have been approved through Opinion or Access Research are described in this brochure and any separate brochure for those programs.

Opinion Research

In the more in-depth Opinion Research process, each Program Investment Product's manager or sponsor provides IAR with relevant documentation on the Program Investment Product(s) being evaluated, which may include sample portfolios, asset allocation histories, its Form ADV (the form required for investment management registration with the Securities and Exchange Commission), past performance information and marketing literature. For verification purposes, the review process may include a comparison of the Program Investment Product's reported performance with the performance of a cross-section of actual accounts as computed by IAR. IAR personnel also may interview the investment manager and its key personnel and examine its operations. Program Investment Products that are approved under the Opinion Research process may be described as being on IAR's Focus List.

The appropriateness of the continued retention of a Program Investment Product as meeting the criteria for Opinion Research is reviewed on a periodic basis. In conducting these reviews, IAR considers a broad range of factors including investment performance, staffing, operational issues and financial condition. Among other things, IAR personnel interview each investment manager periodically to discuss these matters. For Program Investment Products with whom IAR is familiar through repeated reviews, IAR has increasingly emphasized quantitative analysis and interviews in other venues instead of in person meetings. In addition, IAR may review the collective

performance of a composite of the Consulting Group accounts being managed by a particular investment manager and compare this information to overall performance data quoted by the manager and investigate any material deviations.

Access Research

The less comprehensive “Access Research” process evaluates various qualitative and quantitative factors of Program Investment Products under consideration for Access Research. Among the factors which may be considered in determining whether a particular investment option will be “Approved” under Access Research include personnel depth, turnover and experience; review of investment process; review of business and organization characteristics; and investment past performance. In order to assist in their evaluation, the IAR team may utilize an algorithm – a rules-based scoring mechanism – that reviews various qualitative and quantitative factors and ranks each investment option contained in a third party database. Not all Program Investment Products reviewed under Access Research will utilize the algorithm. When a Program Investment Product is processed by the algorithm, analysts analyze the information contained in the algorithm to gauge the completeness and consistency of the data which drive the rankings, then follow-up with additional information requests. The ultimate result of this research effort is a conclusion by IAR that the Program Investment Product either meets the Access Research standard (product receives a status of “Approved”) or does not. Program Investment Products that are approved under the Access Research process may be described as being on IAR’s Approved List. Program Investment Products that meet the Access Research standard also are reviewed periodically by IAR to evaluate whether they continue to meet IAR’s standard to be listed as “Approved”. However, data and information provided by Program Investment Products in connection with the review process are not independently verified by IAR or Consulting Group.

In light of the differing research methodology and standards under Opinion and Access Research, IAR may determine that a Program Investment Product no longer meets the criteria for Opinion research, or will no longer be reviewed under the criteria for Opinion research, but in either case does meet the criteria for Access Research, in which case CGMI will generally notify the Clients regarding such status changes on a quarterly basis. In addition, IAR may determine that a Program Investment Product no longer meets the criteria under either research process and therefore in the future, the investment option will no longer be recommended in CGMI’s advisory programs (a “Manager Downgrade” or “Fund Downgrade”) and the client will generally be notified of such downgrade. The manner of notification will vary depending on the CGMI advisory program.

Watch Policy

IAR has a “Watch” policy for covered Program Investment Products. Watch status indicates that, in the course of its review of a given Program Investment Product, IAR has identified specific areas of the investment manager's business that (a) merit further evaluation by IAR; and (b) may, but is not certain to, result in a Manager Downgrade in the future. Putting a Program Investment Product on Watch does not signify an actual change in IAR opinion nor is it a guarantee that a downgrade will necessarily occur. The duration of a Watch status will vary according to the length of time necessary for IAR to conduct its evaluation, and for the Program Investment Product’s firm to address any areas of concern identified by IAR. For additional information, clients should ask their Private Banker for a copy of Investment Advisor Research’s Watch Policy.

Mutual Funds in Advisory Programs

Mutual fund companies typically offer different ways to allow clients to purchase mutual fund shares. Some mutual funds will only offer one share class for a particular fund while some funds offer many types of shares classes. In addition to the more broadly known retail share classes (A, B, C shares) fund companies have developed additional types of specialized share classes designed for specific advisory programs. If available, clients will be converted into the share class that is required by the fund company for that type of account. Depending on the circumstances, clients may be converted into a share class that has a lower operating expense or a higher operating expense.

Proxy Voting

When investing in Manager Selection, Legg Mason Private Portfolios, Tailored Portfolio, Fiduciary Asset Management and CES programs, clients generally have the option to elect to have the manager to vote proxies on the clients’ behalf. In the Umbrella Portfolios programs, clients may elect to have the underlying managers vote proxies on the clients’ behalf. If a client elects this option, the manager, or underlying manager as applicable, will vote proxies related to all securities held in the managed account, including any non-managed assets held in the managed account, where applicable.

When investing in Select ETF Allocations, Select Portfolios and Select UMA programs, clients have the option to delegate all proxy voting rights to CGMI and authorize CGMI to further delegate all proxy voting rights to Institutional Shareholder Services (“ISS”) or another proxy voting service (the “Proxy Voting Service”) satisfactory to CGMI. If a client elects this option in the Select ETF Allocations, Select Portfolios and Select UMA programs, the Overlay Manager will follow all recommendations of the Proxy Voting Service. In these programs, if the Proxy Voting Service does not have a recommendation for any proxy vote, the client directs the Overlay Manager to vote all proxies in proportion to the votes of the other holders of the security for which the proxy vote is requested.

Clients may obtain information regarding how CGMI or its designee voted a specific proxy on behalf of the client’s account by submitting a written request to their Private Banker.

In all programs where permissible, non-managed assets are held in client accounts as an accommodation and are not charged an investment management fee nor included for performance reporting purposes. The manager, underlying manager or CPB does not have investment discretion with respect to the purchase, sale or holding of non-managed assets. However, if permissible, all proxies for the non-managed assets are voted in accordance with the same proxy voting policies and procedures followed by the manager or CPB with respect to securities over which the manager or CPB exercises investment discretion.

If a client no longer wishes to have the manager, underlying manager, CPB or its designee vote proxies for the discretionary assets in the managed account, the client may cancel the proxy waiver election immediately by contacting the Private Banker; in which case, the manager, underlying manager, CPB or its designee will no longer be in a position to vote proxies for any securities in the client’s managed account, including securities over which the manager, underlying manager or CPB has investment discretion. In this case, all such proxies will be delivered directly to the client for consideration. If a client no longer wishes to have the manager, underlying manager, CGMI or CPB or its designee vote proxies for the non-managed assets in the managed account, if permissible, but would like the manager, underlying manager or CPB or its designee to continue voting the proxies for the discretionary assets in the managed account, the client should contact the Private Banker and arrange to transfer the non-managed assets to another, non-managed account.

Cost of CPB Asset-Based Fee Programs and Services Relative to Non-Asset-Based Fee Alternatives; Relative Costs of CPB Asset-Based Fee Program Alternatives

Clients who participate in the programs or retain the services described in this brochure and who pay asset-based fees for a variety of services may pay more or less for such services than if they purchase such services separately. Factors that bear upon the cost of CPB’s asset-based fee programs in relation to the cost of the same services purchased separately include, among other things, the type and size of the account, the historical and expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

A portion of the fees and/or brokerage charges imposed by CPB for the programs offered herein are paid to CPB Private Bankers or employees of CPB affiliates in connection with the introduction of accounts as well as the provision of services. Such payments may be made for the duration of client accounts. The amount of the fees received by CPB, CPB Private Bankers and employees of CPB affiliates may be greater if: the client participates in an asset-based fee program instead of paying separately for investment advice, brokerage and other services; the client’s portfolio is managed by a manager affiliated with CPB or its affiliates rather than an unaffiliated manager; and/or the client selects a particular CPB asset-based fee program over other CPB asset-based fee programs. In addition, CPB and its affiliates retain a larger portion of the fee when an affiliated manager is used, since no part of the fee is shared with an outside manager. Because of these factors, CPB, CPB Private Bankers and employees of CPB affiliates may have a financial incentive to recommend certain alternative methods of paying program fees and charges (e.g., asset-based fee) over another alternative (e.g., fee plus commission), or one program (e.g., a CPB program using a CPB-affiliated manager) over another program (e.g., a CPB program using an unaffiliated manager).

Unaffiliated managers may offer to the public other investment products such as mutual funds with similar investment styles and holdings as those investments offered through the CPB programs. Such products may be offered at differing fees and charges that may be higher or lower than the fees imposed by CPB under a CPB program. Clients should discuss all investment options with their Private Banker.

Additional Information Regarding Fees and Charges

In addition to the asset-based fees and conventional fees specified above, clients of CPB may pay additional fees or charges in connection with their accounts or certain securities transactions. These may include: commissions and other charges for executing transactions (except in the case of asset-based program trades executed through CPB or an affiliate); dealer mark-ups, mark-downs and spreads; auction fees; certain odd-lot differentials; exchange fees; transfer taxes; electronic fund and wire transfer fees; charges imposed by custodians other than CPB; certain fees in connection with custodial, trustee and other services rendered by a CPB affiliate; SEC fees on securities trades; any other charges mandated by law; and certain fees in connection with the establishment, administration or termination of retirement or profit sharing plans or trust accounts. In addition, if CGMI is a member of the underwriting syndicate from which a security is purchased, CGMI and CPB indirectly may benefit from such purchase.

If an open or closed end mutual fund or an exchange traded fund is utilized by CPB as an account investment, any such fund may pay its own separate investment advisory fees and other expenses to the fund manager or other service provider. In addition, an open-end mutual fund may charge distribution or servicing fees. In both cases these fees or expenses will be in addition to the fee paid by client on the account.

Notwithstanding the foregoing paragraph, if a mutual fund managed by an affiliate of the investment manager is utilized as an investment in a client's account, such fund will pay its own separate investment advisory fees unless such fund is a fund (a "Managed Account Fund") made available only to managed account clients and is not charged fund-level investment or advisory, management administration fees. The fee paid by the client on the account will be offset (other than a money market fund as described in *Potential Conflicts of Interest* herein) by an estimate of the client's pro-rata share of any Legg Mason affiliated mutual fund investment advisory fees. The fees paid by the client with respect to the account will not be offset by the client's pro rata share of any administration fees paid to the investment manager and its affiliates for performing administrative services on behalf of the mutual fund as reflected in the current Prospectus or Statement of Additional Information for such mutual fund or by any other expenses of the mutual fund.

The investment manager and its affiliates may serve in various capacities with respect to mutual funds in the client's account and, except in the case of Managed Account Funds may receive fees from such funds for the services provided as set forth in the prospectus of each of those funds in addition to the investment management and other fees set forth herein. The affiliates of the investment manager that provide services to the Managed Account Funds will be compensated for such services directly or indirectly out of managed account management fees paid by clients of the investment manager that have portions of their managed accounts invested in the Managed Account Funds. A fund, including a Managed Account Fund, may incur extraordinary fund-level expenses and ordinary fund-level operating expenses other than investment advisory, management or administration fees. Unless reimbursed by the fund's manager or its affiliates, any such fund-level expenses will be borne by clients of the investment manager that have portions of their managed accounts invested in the fund.

To the extent that fees or commissions charged are negotiable, they may differ from client to client based upon a number of factors, including, but not limited to, the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplemental advisory and client-related services to be provided to the account. Moreover, fee minimums and account minimums may vary as a result of the application of prior schedules depending upon customer account inception date. Minimum account sizes also may be waived under certain circumstances. Performance-based fees may also be charged to eligible clients, are negotiable, and will be in compliance with any applicable provisions of Rule 205-3 under the Investment Advisers Act of 1940. From time to time, the fees for certain of the advisory services described herein may be reduced for employees of CPB or its affiliates. For more information regarding the above, contact your CPB Private Banker.

Additional assets received into an account during any billing period may be charged a pro-rata fee based on the number of days remaining in the billing period. No adjustments will be made to the Fee for appreciation or depreciation in the market value of securities held in the account. In the event the client agreement is terminated by either party or assets are withdrawn or increased prior to the end of a billing period, a pro-rata refund or increased charge of the Fee will be made, if applicable.

Generally, interest will be charged to a client's account should the account have a debit balance as a result of the client's activity. Any debit balance will not be deducted from the account balance for purpose of the calculation of the advisory or consulting fee due to CPB. When CPB has custody of the client's assets, it credits interest and dividends to the account. All client billing for fee-based programs will be based on the statement value including the

accrued interest portion of fixed income securities. Margin may be used to enhance performance (with the resulting increased risk of loss), as determined by on-going consultations with clients.

In the asset-based fee programs described in this brochure, the investment management firm retained by the client is obligated to seek the best net results (price, research, and execution) with respect to securities trades undertaken for each client. In seeking best execution with respect to equity securities and other instruments traded in the “agency” markets (typically those executed through an exchange, to which orders are directed by a broker-dealer acting as agent for a client), such investment management firms may direct orders to CGMI. In connection with these trades, the asset-based fee client will not pay CPB any commissions. Alternatively, the investment manager in its discretion may determine to direct agency trades to other broker-dealers that are unaffiliated with CGMI; in such instances the client will bear the cost of any commissions charged by the executing broker-dealer. These other broker-dealers may charge a commission for these trades, and may “step-out” the trades to CGMI for clearance and settlement. Due to the cost of executing agency trades with broker-dealers that are unaffiliated with CGMI, investment managers in the asset-based fee programs described above are likely to execute a large percentage of such transactions for clients with CGMI.

In the Legg Mason Private Portfolios program, the Subadvisers may act as portfolio manager for other investment management programs (“Other Programs”), in addition to the program. The Subadvisers may have arrangements with one or more broker-dealers that are not affiliated with CGMI (the “Step-Out Broker”), pursuant to which the Subadvisers may direct a block of trades (which block may include trades for the program and for Other Programs) to the Step-Out Broker. Pursuant to these arrangements, the Step-Out Broker may execute these blocks of trades at no commission, and “step-out” the program trades to CGMI for clearance and settlement. Similarly, the Subadvisers may direct a block of trades (which block may include trades for Other Programs and for the program) to CGMI, in which event CGMI may execute these blocks of trades at no commission and “step-out” the Other Program trades to other broker-dealers for clearance and settlement. Although the Step-Out Broker and CGMI may execute these trades at no commission, they may obtain a benefit from executing the block trades, as a result of the increased trading volume attributable to these blocks.

The Subadvisers may place these block trades at or about the same time the Subadviser responsible for the underlying investment decision places block or other trades for the same securities on behalf of mutual funds, institutional separate accounts or other investment management clients of such Subadviser, and that may result in a market impact for the securities traded. The investment managers or Overlay Managers will engage in these “step-out” transactions, only where the investment managers or Overlay Managers has determined that doing so is consistent with its obligation to seek best execution for clients.

Where the client has elected to pay CGMI on a fee plus commission basis at an agreed upon commission rate, the commission rate charged by CGMI to the client will generally be at the agreed upon rate, whether the trade is executed by CGMI, or is executed by another broker-dealer and “stepped-out” to SCGM for clearance and settlement as described above. This is so, whether the other broker-dealer executes the trade at no commission, or charges the client a commission on the trade (in addition to the commission charged to the client by CGMI).

The Subadvisers will not consider the agreed upon commission rate for fee plus commission accounts, in determining whether execution is “best execution”.

Certain securities, such as over-the-counter (including NASDAQ-traded) stocks and fixed income securities, primarily are traded in “dealer” markets. In such markets, securities are directly purchased from or sold to a financial institution acting as a dealer, or “principal.” Principal trades are executed on a “net” basis, with the net price paid or received by the client reflecting any trading profit retained or loss incurred by the dealer executing the transaction as well as any mark-up or mark-down over or under the reported execution price.

CGMI does not generally act as principal in executing trades for clients for which an investment manager affiliated with CGMI provides the client with portfolio management services (i.e., determines which securities are to be bought and sold for the client) or in the Manager Selection Program (although CGMI may do so in rare cases if certain regulatory conditions are met, including among other things obtaining client consent prior to completion of the trade). If CGMI receives trade orders for securities traded in the dealer markets with respect to such clients, it normally executes those orders as agent through a dealer unaffiliated with CGMI. CGMI receives no commissions or other compensation in connection with such trades, although the client bears the cost (including any mark-up or mark-down) imposed by the unaffiliated dealer.

CGMI may execute trades as principal with respect to orders received from investment management firms unaffiliated with CGMI that provide portfolio management services to clients in the CES program. This will result in CGMI realizing customary dealer profits or losses on the trades. Any profit or loss on principal trades would be separate from or additional to, and would not reduce or otherwise offset, compensation received by CPB in its capacity as sponsor of the CES asset-based fee program. Investment management firms in these programs also may direct principal trades to dealers unaffiliated with CPB or CGMI; when this is done, the dealer to which the trade is directed (not CPB or CGMI) will realize a dealer profit or loss on each trade and may also charge a mark-up or mark-down.

Execution of Transactions When CGMI is the Overlay Manager

This section describes CGMI's handling of trade execution responsibilities with respect to the following programs: Legg Mason Private Portfolios, Umbrella Portfolios, Select ETF Allocations, Select UMA, and certain accounts within the Manager Selection Program. Also, it is anticipated that on or about October 1, 2008 CGMI will provide certain overlay services to the Select Portfolios program. CGMI (or Citibank N.A. where appropriate for the Umbrella Program) and a Subadviser may agree that such sub-adviser is responsible for executing all or certain transactions on behalf of client accounts. With respect to such transactions, CGMI has no execution responsibilities, and will not be in a position to monitor for best price and execution.

Each client (or the program sponsor of a wrap fee program in which a client participates) generally directs CGMI to execute, or is generally informed that CGMI will execute, securities transactions through the client's program sponsor or a broker-dealer designated by the sponsor (designated broker), subject to CGMI's obligation to seek best execution. To the extent not inconsistent with such directions, disclosures and applicable agreements, CGMI, in its sole discretion and in accordance with applicable law (including CGMI's obligation to seek best execution), may effect transactions for accounts through or with the program sponsor, the program's designated broker-dealer or any other broker or dealer.

It is CGMI's policy to seek best qualitative execution when executing transactions on behalf of clients. Best execution is not necessarily measured by the circumstances surrounding a single transaction but may be sought over time across multiple transactions. CGMI may select broker-dealers, including alternative execution services (e.g., electronic communication networks and crossing networks), for trade execution which, in its best judgment, provide prompt and reliable execution at favorable security prices with reasonable commission rates and/or other transaction costs. The best net price, giving effect to brokerage commissions, commission equivalents, spreads and other costs, is an important factor in this decision, although a number of other factors may also enter into the decision. These factors may include: price level; available commission rates, mark-ups, mark-downs and/or spread levels; the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular securities; confidentiality; execution, clearance and settlement capabilities; counterparty financial condition and reliability; the availability of capital commitment; and other relevant and appropriate services of the broker-dealer.

CGMI may implement purchase and sale transactions in ADRs for client accounts through broker-dealers that facilitate investment in ADRs through transactions in a company's ordinary shares in non-U.S. markets and the conversion of such shares into ADRs. Such transactions typically involve foreign exchange, ADR conversion and related costs and charges which are reflected in a net price paid or received by the client. Such costs and charges are in addition to the fees and commissions payable for account management and security trade execution.

If the client is a participant in a wrap fee program, under which the client is charged an asset-based fee for portfolio management and trade execution services, the client typically will not pay any transaction-specific commissions on agency trades executed by the Program Sponsor or designated broker. A wrap fee program client may pay transaction-specific commissions, commission equivalents or spreads on trades CGMI directs to a broker-dealer other than the sponsor or designated broker. These fees or charges may be separately charged to the client's account or reflected in the security net price paid or received. Due to the separate fees or charges that may be incurred when CGMI effects trades for a wrap fee program client with broker-dealers other than the sponsor or designated broker, it is expected that CGMI will effect a large percentage of transactions for a client's account that are driven by activity specific to that account (e.g. additions and withdrawals) with the Program Sponsor or designated broker.

In the case of trades that are driven by a change in an underlying Subadviser's investment model and that need to be effected for many clients, CGMI generally will seek to aggregate these trades for execution through a single broker-dealer in a block trade and then to step out those trades to the applicable program sponsor for clearance and settlement in the ordinary course. CGMI has established relationships with one or more broker-dealers that have agreed to execute such block trades at no additional cost to CGMI's clients. The broker-dealers that are willing to execute block trades on behalf of CGMI's clients typically are sponsors of wrap fee programs in which CGMI participates. Accordingly, a portion of the client accounts participating in the trade typically will be accounts that have paid a wrap fee covering execution to the executing broker-dealer ("non-trade away accounts"). A portion of participating accounts will be accounts that pay a wrap fee or transaction-specific compensation to a broker-dealer other than the executing broker-dealer ("trade away accounts"). For trade away accounts, CGMI directs the executing broker-dealer to allocate and deliver the portion of the trade attributable to such accounts to the client's sponsor or designated broker for clearance and settlement. While aggregating trades as indicated could be viewed as providing a benefit to trade away accounts at the expense of non-trade away accounts, it should be noted as an equitable matter that: (i) trade away clients pay transaction-related compensation to their designated broker-dealer instead of the executing broker-dealer, and (ii) it is not expected that the wrap fees paid by non-trade away clients will be affected by such block trading arrangements.

CGMI believes that handling model change trades in this manner generally enhances CGMI's ability to obtain best execution for client accounts. Using a sponsor-by-sponsor trade rotation process can in some cases create market impact, which results when earlier trades move the market causing subsequent trades to receive different prices, as well as information leakage. A rotation process also can create "signaling" concerns (i.e. broker-dealers anticipate additional trades in same security and use this information to detriment of the manager's clients), and timing differences that result in clients obtaining different execution prices and performance dispersion among accounts. CGMI also may be able to negotiate volume price discounts on block trades, and take advantage of the additional sources of liquidity that certain broker-dealers can provide. In addition, all clients, including non-trade away clients, benefit from the liquidity and other benefits provided by block trading.

From time to time, CGMI may determine not to, or be unable to, aggregate model change trades through a single broker-dealer in a block trade. In such cases, CGMI will execute trades with each sponsor or designated broker by following trade rotation policies and procedures designed to ensure that trade orders and instructions are communicated in a manner and sequence that is fair and equitable to CGMI's clients.

In engaging an underlying Subadviser, CGMI will seek assurances that the Subadviser will communicate model changes to CGMI in accordance with procedures that are designed to be fair and equitable to CGMI's clients in relation to other clients of the Subadviser. Such procedures could include a rotation process or the simultaneous transmission of model change information to multiple venues, including CGMI and a trading desk maintained by the Subadviser to effect transactions on behalf of other client accounts, or a combination of both. In the case of simultaneous transmission, it is anticipated that orders that CGMI places in most cases will end up competing in the marketplace with orders placed by the Subadviser's trading desk on behalf of its other clients. This competition has the potential to negatively impact all clients of the Subadviser, though competition concerns are mitigated where the securities involved have significant trading volume and high liquidity. In the case of less liquid securities, an underlying Subadviser may seek to mitigate competition concerns through the use of limit orders and specific price targets, among other means. Ultimately, it is the Subadviser's responsibility to ensure that the clients are treated fairly and equitably with respect to the transmission of model change information.

While CGMI has established processes to implement model change trades promptly, a sub-adviser's trading desk may, notwithstanding the simultaneous transmission of model change information, be able to place certain trade orders with broker-dealers for its other client accounts prior to the time that CGMI is able to do so for wrap fee program clients due to unique servicing requirements associated with such accounts. CGMI's clients could be negatively impacted by such timing differences.

Aggregation of Trade Orders; Trade Allocation; and Restrictions When CGMI is the Overlay Manager

This section describes CGMI's handling of aggregation of trade orders, trade allocation, and restrictions with respect to the following programs: Legg Mason Private Portfolios, Umbrella Portfolios, Select ETF Allocations, Select UMA, and certain accounts within the Manager Selection Program. Also, it is anticipated that on or about October 1, 2008 CGMI will provide certain overlay services to the Select Portfolios program. As noted in the "Execution"

section of this brochure above, CGMI generally will seek to aggregate trades that are driven by a change in an underlying Subadviser (or hereinafter referred to as Sub-Manager) Sub-Manager's investment model and that need to be effected on behalf of a range of client accounts. In such event, the transaction will be allocated by CGMI according to one or more methods designed to ensure that such allocation is equitable and fair. These methods include pro rata allocation and random allocation. Pursuant to these methods, aggregated orders effected each day are averaged as to price. Under the random allocation method, a partially filled order is allocated to accounts included in the aggregated order on a random basis by CGMI's trading system. This method generally will be used by CGMI only after consulting with and seeking direction or agreement from the portfolio management team at the applicable underlying Sub-Manager. The random allocation method is intended for situations in which the partial execution quantity is an amount that does not allow for a pro rata allocation of securities to all accounts or does not allow for a meaningful allocation of securities to all accounts. Where an aggregated order covers clients in multiple Financial Institution programs, the securities generally are allocated to the financial institution programs participating in the order on a pro rata basis. The securities are then allocated to clients within each Financial Institution program following one of the accepted trade allocation methods. CGMI does not consider account performance or fee structure in making investment opportunity allocation decisions. As a general rule, orders for employees will not be aggregated with orders for client accounts. However, managed accounts in which employees have an interest may be aggregated with orders for other accounts so long as the employee accounts are treated in the same manner as other accounts.

When CGMI has discretionary authorization to effect investment transactions in a managed account, the extent of and limitations on that authority are determined by agreement with the financial institution, acting on its client's behalf, or by agreement directly with the client. For example, conditions could be imposed which prohibit the purchase of specific industry groups or stocks for personal reasons or prohibit the purchase of stocks which would increase individual security or industry/economic sector holdings above a certain percentage. It is CGMI's policy to honor the limitations on authority that are agreed to, which necessarily vary from client to client based upon client objectives and other factors, but CGMI is not otherwise generally limited as to such authority. CGMI will rely on financial institutions to provide CGMI with any special instructions or limitations on authority that a financial institution client has given the financial institution in connection with the management of the client's funds.

A restriction imposed on a CGMI account (other than the investment management portfolios) is applied at the time of purchase to securities purchased by CGMI for the account and does not apply to securities transferred into the account, securities already held in the account at the time the restriction is imposed, securities that first come within a restriction following CGMI's purchase of such securities, and securities acquired as a result of corporate actions (e.g., stock splits, stock dividends). A client may direct CGMI to sell particular securities or types of securities held in the client's account by contacting his or her financial institution representative.

Compensation from Funds

Certain Funds available through the advisory programs may offer additional compensation to CPB in the form of 12b-1 fees, management and administrative fees, transfer agency fees, revenue sharing compensation, record keeping fees, shareholder servicing fees or any other Fund related fees (collectively referred to as "Fund Fees"). However, under these programs, CPB will not seek or retain any Fund Fees from participating Funds, including any Funds affiliated with CGMI, CPB and/or their sponsors, investment advisers or other service providers, and will credit the client's account in the amount of any such fees received by CPB. Accordingly, the aggregate fees received by CPB will not vary depending on the eligible assets in which the client invests. Any fees passed on to client will be reported to such client as additional income if the client account is taxable. However, in the Select UMA program, CGMI will receive and retain Fund Fees (in an amount stated above in the Select UMA section) from fund companies or their affiliates on all taxable clients' mutual fund assets. CGMI will not receive Fund Fees for the retirement accounts in the Select UMA Program.

Notwithstanding the foregoing, in the event non-retirement account cash balances in any of the programs discussed in this Form ADV Schedule H are invested in money market funds sponsored or managed by affiliates of Legg Mason, Inc. ("Legg Mason"), CGMI may receive and retain Fund Fees from those money market funds or those money market funds' affiliates (see "Potential Conflicts of Interests" below).

In addition, non-retirement clients may also purchase closed-end funds and CGMI may receive additional compensation from the purchase of these closed-end funds. As a result, there may be a potential for a conflict of interest to the extent that the additional payments could influence the selection of these closed-end funds.

Termination

Generally, client agreements with CPB or its affiliates for investment management services may be terminated at the written request of the client or CPB. The procedures and conditions pursuant to which CPB or any client may terminate a contract are described in such contract. Additionally, the client may terminate a contract without penalty within five business days of the contract's execution by CPB. In the event a client terminates an investment management agreement after the fifth day, CPB will charge a pro rata fee through the termination date. In the event fees are paid in advance, a pro rata refund of said fees would be made when an advisory agreement is terminated prior to the end of the fee period. Termination of an agreement will not affect or preclude the consummation of any transaction initiated prior to termination.

CGMI'S ROLE AS OVERLAY MANAGER

CGMI provides certain overlay services to the following advisory programs: Legg Mason Private Portfolios, Umbrella Portfolios, Select ETF Allocations, and the Select UMA program, and certain accounts within the Manager Selection Program. Also, it is anticipated that on or about October 1, 2008 CGMI will provide certain overlay services to the Select Portfolios program.

Implementation and Coordination Services Provided

As Manager, CGMI (or Citibank N.A. for the Umbrella Program) provides the following portfolio implementation and coordination services (as applicable) with respect to client accounts invested in the following programs: Legg Mason Private Portfolios, certain accounts within MSP, Select ETF Allocations, and Select UMA programs.

- i. implementing investment instructions furnished to CGMI by Subadviser concerning the securities to be purchased, held, or sold for client accounts and determining the amount of securities to be purchased or sold for client accounts in accordance with rules and procedures agreed to by CGMI and the Subadvisers;
- ii. placing orders for and arranging for the purchase or sale of securities with broker-dealers to implement the investment instructions of the Subadvisers and/or communicating the amount of securities to be purchased or sold for client accounts to the Subadvisers for execution with broker-dealers selected by the Subadvisers;
- iii. placing orders for the purchase, sale, or redemption of shares of mutual funds and exchange-traded funds to implement the investment instructions of clients and/or Subadvisers (applicable for portfolios and programs involving investment in such funds);
- iv. rebalancing client accounts among two or more investment styles (applicable for accounts with multiple investment styles represented);
- v. coordinating a client account's non-fund holdings (applicable for accounts with multiple non-fund investment styles represented) in consultation with the applicable Subadvisers;
- vi. implementing reasonable restrictions imposed by a client on the management of the non-fund holdings portion of such client's account; and
- vii. managing client accounts consistent with asset allocation and non-registered fund, registered investment company or asset class selections made by clients.

While CGMI is directed by the applicable Subadviser's instructions as to the securities to purchase and sell for client accounts, except as otherwise noted in the description of a specific program, CGMI exercises discretion in determining the timing and extent of rebalancing among multiple investment styles in a balanced account or multiple discipline account.

In coordinating a client account's non-fund holdings, CGMI may, in consultation with the applicable Subadvisers, eliminate or reduce portfolio overlap resulting from a particular security being recommended by more than one

Subadviser. CGMI will also monitor an individual security's position size within a client's account based on parameters set by the applicable Subadviser and, in consultation with the Subadviser, reduce such position size should a security's position reach certain levels.

Types of Investments, Methods of Analysis, Sources of Information and Investment Strategies

As noted above, CGMI purchases and sells securities on the basis of investment instructions furnished by Subadviser to CGMI for implementation. In addition, for balanced accounts and Multiple Discipline Accounts, CGMI exercises discretion in determining the timing and extent of rebalancing among multiple investment styles. Subject to the foregoing, CGMI's investment strategies may involve long-term or short-term trading, short sales, margin transactions and option writing, and generally may extend to: exchange-listed, over-the-counter and foreign securities and rights and warrants to acquire the same; corporate, municipal, foreign and U.S. government debt securities, including those guaranteed by such governments or issued by their agencies and instrumentalities and repurchase and reverse repurchase agreements including any of the foregoing; securities options; mortgage-backed or other asset-backed securities and structured notes; certificates of deposit; certain derivative instruments; commercial paper; bankers acceptances; and mutual fund shares. Not all of these strategies are appropriate for all clients, however, and only those strategies believed to be suitable will be utilized in any given client account or advisory program. It is anticipated that there may be a substantial degree of uniformity in client portfolios of the same investment style as a result of the common investment objectives of the clients who have selected that style.

CGMI may also invest client assets in unaffiliated ETFs. These funds are unmanaged and typically represent U.S. securities markets, industry and market capitalization sectors, non-U.S. country and regional markets, and other types of non-U.S. securities markets and market sectors (e.g., emerging markets). To the extent an ETF represents securities of non-U.S. issuers, it will involve the additional non-U.S. investment risks. Investments in securities of non-U.S. companies involve certain risks in addition to those risks ordinarily associated with investing in securities of domestic issuers. These additional risks include the potentially negative effects of fluctuations in foreign currency exchange rates, future political and economic developments, foreign taxation and differences in auditing and other financial standards. In addition to the wrap or management fees charged at the account level, a client will bear a proportionate share of the fees and expenses incurred by any unaffiliated ETF in which a portion of such client's account is invested.

As Manager, CGMI's investment management services, other than implementation of Subadviser investment instructions, generally rely on fundamental analysis with supplemental technical analysis which may include charting or cyclical review. Computer technology may be employed to more readily display these factors to portfolio managers. Information is derived from many sources, which may include: proprietary research; financial publications (including newspapers and magazines), industrial manuals and publications; company visits; inspections of corporate activities; direct contact with and press releases and other reports released by companies; annual reports, prospectuses and filings made with the Securities and Exchange Commission; research materials prepared by other firms; governmental reports; timing services; and corporate rating services.

Error Policy

CGMI maintains an Error Policy aimed at ensuring the prompt and proper detection, reporting and correction of errors involving the accounts of CGMI clients. The requirements of the Error Policy apply to the extent that CGMI has control of resolving errors for client accounts. The correction method used by CGMI for an error must put the client in the same position the client would have been in had the error not occurred (i.e., the client must be made whole for any error-related losses and costs suffered). Any gain resulting from an error generally will be left in the client's account or, if realized outside the client's account, offered by CGMI directly to the client. Only if the client refuses to accept such a gain may CGMI retain the profit. CGMI will not offer or give error-related gains to any person or firm other than the applicable client. In the case of a trade error discovered before settlement, CGMI may seek to have the broker cancel the erroneous trade, even if the erroneous trade has resulted in a gain. Alternatively, an erroneous trade may be moved to a CGMI error account prior to settlement, and CGMI may realize a profit or loss on the security.

Certain Tax Considerations

As Manager, CGMI may agree with a client to implement a client-developed investment strategy that the client believes is sensitive to the client's particular tax situation. As neither CGMI nor any CGMI affiliate provides tax

advice, however, neither CGMI nor any CGMI affiliate will be responsible for the development, evaluation or efficacy of any such strategy. Any such strategy needs to be developed by the client in consultation with a qualified tax adviser. In addition, in managing client accounts, CGMI, in conjunction with the applicable Subadviser, may, but is not under any obligation to, on its own initiative seek to implement investment strategies in a tax-sensitive manner. In such event, CGMI, in conjunction with the applicable Subadviser, will seek to mitigate the tax consequences associated with management of the client's CGMI account, but CGMI, in conjunction with the applicable Subadviser, will not consider the client's particular tax situation or the client's non-account assets and transactions unless CGMI, in conjunction with the applicable Subadviser, specifically agrees to do so for the client. Certain tax-sensitive strategies that CGMI, in conjunction with the applicable Subadviser, may pursue on its own initiative involve risks. For instance, CGMI, in conjunction with the applicable Subadviser, may add to a position in a security held at a loss with the intention of selling all or a portion of the original position to realize a loss upon the expiration of the applicable "wash sale" period. The client will incur additional losses in the event of a further fall in the price of the security before the original position can be sold. CGMI, in conjunction with the applicable Subadviser, also may engage in "merger swaps" by selling the security of an acquiring company held in client portfolios to realize a tax loss and simultaneously purchasing the security of the company to be acquired to maintain general exposure to the acquiring company. The client may incur losses in the event that a planned merger is terminated and the price of the company to be acquired falls in value. Certain tax-sensitive strategies that CGMI, in conjunction with the applicable Subadviser, may pursue (e.g., selling high-cost basis lots of a security when selling a portion of an account's holdings in such security) may mitigate current taxes but potentially lead to greater taxes in future years. Also, certain tax-sensitive strategies may subject the client or the client's tax advisor to certain federal and/or state tax shelter disclosure, registration and/or other requirements.

ABOUT CITIGROUP GLOBAL MARKETS INC.

CGMI is a full-line financial services firm. CGMI's principal activities include retail and institutional private client services, including but not limited to providing advice with respect to financial markets, securities and commodities, and executing securities and commodities transactions as broker or dealer; securities underwriting and investment banking; investment management (including fiduciary and administrative services); and trading and holding securities and commodities for its own account.

CGMI is registered as a securities broker-dealer and as a futures commission merchant. Affiliates of CGMI are registered as commodity pool operators and/or commodity trading advisers. CGMI is a member of all principal securities and commodities exchanges in the United States and the Financial Industry Regulatory Authority, formerly known as National Association of Securities Dealers, Inc. In addition, it holds memberships or associate memberships on several principal foreign securities and commodities exchanges.

Through its divisions, CGMI offers a wide variety of investment advisory services and programs. As of December 31, 2007, CGMI had over \$286.9 billion of assets in its advisory programs,ⁱⁱ including over \$250 billion of assets under management. CGMI's investment advisory services are available to individuals; banks or thrift institutions; retirement plans such as pension and profit sharing plans; investment companies; trusts; estates; charitable organizations; corporations or other business entities as well as governmental entities. The investment advisor divisions and affiliates of CGMI include: Smith Barney; CG; the Portfolio Management Group; Citigroup Alternative Investments LLC; Citigroup Investment Advisory Services, Inc.; CitiStreet Advisors LLC; EMSO Partners Ltd.; EMSO Partners HK Limited; Salomon Smith Barney Venture Services LLC; Smith Barney Global Capital Management, Inc.; SSB Private Management LLC; Tribeca Global Management LLC; Acciones y Valores Banamex, S.A. de C.V.; Casa de Bolsa; Afore Banamex, S.A. de C.V.; Banco Citibank S.A.; Banco Nacional de Mexico S.A.; Bank Handlowy W. Warsawie S.A. (Poland); Citibank (Channel Islands) Ltd.; Citibank (Switzerland) A.G.; Citibank AS (Czech Republic); Citibank AS (Turkey); Citibank Belgium S.A./N.V. (Belgium); Citibank Distribuidora de Títulos Valores e Mobiliarios S.A.; Citibank España, S.A. (Spain); Citibank Hong Kong Ltd.; Citibank International PLC; Citibank Privatkunden AG & Co. KGaA (Germany); Citibank ZRT (Hungary); Citicorp Administradora de Inversiones; Citicorp China Investment Management Ltd.; Citicorp International Ltd.; Citicorp Securities Investment Consulting Inc.; Citigroup Global Markets Singapore Ltd.; Citigroup Properties Investors Asia Ltd.; Citigroup Venture Capital International Asia Pacific Ltd.; Cititrust (Bahamas) Ltd.; Cititrust (Cayman) Ltd.-Confidas; Cititrust (Jersey) Ltd.; Cititrust and Banking Corporation; Cititrust Columbia S.A.; Compañía Colombiana Administradora de Fondos de Pensiones; CSO Partners Ltd. (Corporate Special Opportunities); CVC Asia Pacific;

ⁱⁱ Assets in Advisory Programs include assets that CGMI receives an asset-based fee, and CGMI may give on going advice to clients regarding recommending managers, however, CGMI does not retain discretion as to the selection of those managers.

FNC – Comercio e Participações, Ltd.; Peregrine Investments LLC; Servicios Financieros Citibank (Chile) S.A.; Tribeca Global Management (Europe) Ltd.; Tribeca Global Management (Asia) Ltd.; Zao Citibank (Russia); CitiSolutions Financial (UK) Ltd.; Citigroup Global Investments Japan, Ltd.; Old Lane (UK) LLP; Quilter & Co. Ltd.; Nikko Asset Management Americas, Inc.; Nikko Asset Management Co., Ltd.; Nikko Asset Management Singapore, Ltd.; Nikko Asset Management Europe, Ltd.; Old Lane, LP; Citigroup Trust - Delaware, N.A.; Citicorp Trust, N.A.; Citicorp Trust South Dakota; Citigroup Institutional Trust Company.

Code of Ethics

As part of an overall internal compliance program, CGMI and affiliate entities including CPB are subject to codes of ethics and related policies and procedures (collectively, the “Code of Ethics”) imposing standards of business conduct, including requirements to put client interests first and not to take inappropriate advantage of employment-related information. The Code of Ethics also imposes restrictions on employee personal securities transactions and accounts. Such restrictions include, for all employees, prohibitions on trading in securities while in possession of related material, nonpublic information and, for certain CGMI employees, including CPB Private Bankers, minimum holding periods in certain situations, and reporting of personal securities accounts, transactions and/or holdings to the Compliance Department or supervisory business personnel. Purposes of the Codes of Ethics include minimizing potential conflicts of interests between employees and investment advisory clients and assuring compliance with applicable laws and regulations. Existing and prospective CGMI clients may obtain copies of the applicable Code of Ethics by mailing a written request for such document to:

Citigroup Global Markets Inc.
485 Lexington Avenue, 14th Floor
New York, NY 10017
Attention: Andrew Baldauf

Potential Conflicts of Interest

CGMI and its affiliates including CPB provide a variety of services for various clients, including issuers of securities that CGMI may recommend for purchase or sale by clients. CGMI performs a wide range of investment banking services for various clients, and it is likely that CGMI client holdings will include the securities of issuers for whom CGMI performs investment banking services. CPB client portfolios may include securities in which CGMI makes a market or in which CGMI, CPB its officers or employees have positions. CGMI and CPB and its affiliates receive compensation and fees in connection with the provision of the foregoing services. As part of an overall internal compliance program, CGMI and CPB have adopted policies and procedures imposing certain conditions and restrictions on transactions for CGMI’s and CPB’s own accounts or the accounts of their employees. Such policies and procedures are designed to prevent, among other things, any improper or abusive conduct when potential conflicts of interest may exist with respect to a customer or client.

To meet applicable regulatory requirements, there are periods when CGMI will not initiate or recommend certain types of transactions in the securities of issuers for which CGMI is performing investment banking services. In particular, when CGMI is engaged in an underwriting or other distribution of securities of a company, CGMI may be prohibited from purchasing or recommending the purchase of certain securities of that issuer for its clients. Notwithstanding the circumstances described above, a client, on its own initiative, may direct CGMI to place orders for specific securities in the client’s account. From time to time, restrictions are imposed by CGMI and CPB to address the potential for self-dealing by CGMI and conflicts of interest which may arise in connection with CGMI’s business as a broker-dealer and investment banker. CGMI and CPB have adopted various procedures to guard against insider trading which include an “Information Barrier” procedure, pursuant to which information known within one area of CGMI or CPB (e.g., investment banking) may not be distributed to other areas (e.g., asset management), and use of a restricted list and various other monitoring lists.

CGMI employees may receive financial benefit from investment management firms in the form of compensation for trade executions for the accounts of the investment management firms or accounts that are managed by such investment management firms, or through referrals of brokerage or investment advisory accounts to the Private Banker by such investment management firm. Moreover, CGMI may have trading, investment banking or other business relationships with such investment management firm. These investment management firms may include the investment adviser(s) or alternative investments recommended to clients by employees of CGMI in one of the programs described herein. Consequently, a CGMI employee may be presented with a conflict of interest when recommending an investment manager to a client. In addition, for a client who chooses the commission-based option

in certain programs, CGMI and its employees could have a financial incentive to recommend an investment management firm that trades actively thereby executing more transactions for the account. CGMI and its employees will act in the client's best interests in recommending an investment manager to a client.

CGMI and its affiliates may recommend securities in which they directly or indirectly have a financial interest and may buy and sell securities that are recommended to clients of CGMI for purchase and sale. They also may give advice and take action in the performance of their duties to certain CGMI clients which differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts. Moreover, CGMI or any of its affiliates may advise or take action with respect to itself or themselves differently than with respect to certain CGMI clients. In addition, CGMI, its affiliates and employees may invest with any investment management firm.

CGMI does and seeks to do business with companies covered by its Research Division and that, as a result, CGMI may have a conflict of interest that could affect the objectivity of its research reports. If such objectivity is affected, it might impact the underlying fundamental opinion upon which investment management decisions are made. In addition, CGMI usually provides bids and offers and may act as principal market maker in connection with transactions in the same securities that may appear in a client's portfolio. CGMI is a regular issuer of traded financial instruments linked to securities that may be purchased. CGMI may hold a trading position (long or short) in the shares of the securities in a client's portfolio or in the shares of companies subject to its research.

CGMI will be viewed as having a conflict of interest with respect to recommendations to rebalance or adjust the asset allocation provided to fee plus commission accounts. The securities trades resulting from such reallocations or rebalancing result in additional commission income received by CGMI for such accounts.

Investment management firms participating in a CPB program may make payments to CGMI for marketing, promotional and related expenses; for expenses incurred in connection with training or educational seminars with financial associates and other CGMI personnel; or for expenses incurred in connection with client or prospective client meetings relating to a CGMI program. In addition, investment management firms and their affiliates may provide financial associates and clients (existing and prospective) with related items and benefits. These expenses, items and benefits may include, without limitation: training meeting costs for financial associates or other personnel, including payments for travel, lodging and meals for attendees; payments of costs for client/prospect meetings at which the investment management firms' or their affiliates' services or investment products are discussed, including meals for attendees, room rental costs and meeting-related presentation materials; occasional meals and leisure/entertainment outings; *de minimus* gifts; and nominal value promotional items.

The amount of such payments and the value of such items and benefits may or may not be substantial, but will be determined at the discretion of CGMI. Although these payments, items and benefits will not be pre-conditioned on sales targets and levels, they nevertheless could give CGMI and financial associates incentives to favor one investment management firm over another investment management firm that does not provide the same items, payments and benefits. However, such payments, items and benefits are subject to CGMI's policy that addresses and, in some cases, limits such payments, items and benefits with the overall aim to avoid compromising advice or recommendations given to clients by special incentives or compensation arrangements.

In selecting firms for participation in the programs, CGMI does not consider the extent to which the firm directs or is expected to direct principal trades to CGMI for execution. Such direction is left to the discretion of the investment management firm retained by the client, which, absent client direction to the contrary, is obligated at all times to seek best execution. Nonetheless, investment management firms retained by clients may perceive a potential conflict of interest between their obligations to seek best execution and their interest in receiving client referrals pursuant to the programs.

Agency cross transactions (i.e., transactions in which CGMI or an affiliate acts as broker for the parties on both sides of the transaction) may be effected for customer accounts to the extent permitted by law. CGMI may receive compensation from parties on both sides of such transactions (the amount of which may vary) and as such, CGMI will have a potentially conflicting division of loyalties and responsibilities. Client consent to agency cross transactions may be revoked at any time by written notice to CGMI.

CGMI is a subsidiary of Citigroup Inc. ("Citigroup"). As of December 31, 2007, Citigroup had an ownership interest in Legg Mason Inc. ("Legg Mason"), of less than 7% (including less than a 1% voting interest) and this relationship may be perceived as a potential conflict of interest. In CGMI managed money programs, non-retirement account cash balances are invested in money market funds sponsored and managed by affiliates of Legg Mason. As set forth in the prospectuses of these funds, CGMI receives fees from these funds and may also receive payments from the

funds' sponsors and managers and certain of their affiliates. The fees CGMI receives from these money market funds are referred to as service fees under the funds' Rule 12b-1 distribution plans. The annual rate of these fees can be as high as 0.25% of managed account cash balances invested in the funds. These fees, along with other fund-level expenses (e.g., fund management fees), are separate from, and in addition to, the fees clients pay to participate in CGMI managed money programs.

Payments to CGMI from the funds' sponsors and managers and their affiliates are sometimes referred to as "revenue sharing payments" and are made from their respective past profits, which may be attributable to fees collected from the fund (e.g., fund management fees) or other available sources. Unlike the services fees referred to above, however, these payments are not from fund assets and are not reflected in the funds' expense ratios. Such payments may be made for fund-related distribution and shareholder servicing activities, fund-related marketing, promotional or related expenses, or similar items and services. The annual rate of these payments can be as high as 0.30% of managed account cash balances invested in the funds.

At times, managers may believe that it is in a client's interest to maintain assets in cash, particularly for defensive purposes in volatile markets. The above-described 12b-1 and revenue sharing payments create a potential for a conflict of interest to the extent that the additional payments could influence the selection of investment managers or an investment style that favors cash balances.

Please note that the Private Bankers do not receive any of the 12b-1 or revenue sharing payments described herein.

By signing an agreement for one of the programs described in this brochure, the client acknowledges this potential conflict of interest and consents to the use of Legg Mason affiliated money-market funds as investment vehicles for the account to the extent permitted by law and to the resulting payment of additional compensation to CGMI.

The investment manager and its affiliates generally will earn greater aggregate fees with respect to Account assets invested in shares of mutual funds (other than Managed Account Funds) for which the investment manager or an affiliate provides services; and clients will pay multiple levels of fees and expenses with respect to Account assets invested in such funds. As a result of the additional fees earned by the investment manager and its affiliates with respect to Account assets invested in shares of such mutual funds, the investment manager is faced with a conflict of interest in determining whether to rebalance Account assets and the timing of rebalancing. However, the investment manager intends to act in the best interests of the client and fiduciary standards with respect to the rebalancing of the Account.

Global Transaction Services and various affiliated business units of Citigroup's Markets & Banking division, receive compensation for providing administrative, custody, transfer agent and back office services to investment management firms, mutual funds and hedge funds. These investment management firms may include portfolio managers and investment management firms to mutual funds, hedge funds or separately managed accounts that are recommended in the advisory programs described herein.

Additional Risk Disclosure

Different classes of securities have different rights as creditor in the event the issuer files for bankruptcy or reorganization. By way of example, bondholders' rights generally are more favorable than shareholders' rights in the event of a bankruptcy or reorganization.

Special Considerations Regarding Investments in Alternatives

As further described in the offering documents, an investment in alternative investments can be highly illiquid, is speculative and not suitable for all investors. Investing in Alternative Investments is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; restrictions on transferring interests in the fund; potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; absence of information regarding valuations and pricing; complex tax structures and delays in tax reporting; less regulation and higher fees than mutual funds; and advisor risk. Individual funds will have specific risks related to their investment programs that will vary from fund to fund.

Depending upon the specific alternative investment, such as an alternative investment that is subject to a lock-up period, client may not be able to liquidate the investment. Prior to investing, clients should review the offering materials for such illiquid investments, in particular the terms of any restrictions on the premature termination or liquidation of client's investment

Solicitations

CGMI and CPB may enter into agreements with third parties who solicit clients for CGMI's investment management products. Under such agreements, third parties may refer or solicit clients and receive compensation for such services. As a result of these arrangements, fees paid by clients may differ from the prevailing retail rate, but in every arrangement with a third party solicitor, the structure of the third party solicitation agreement, including the compensation payable to the solicitor, will be disclosed fully to the client as required by applicable law.

CGMI may use client lists when soliciting new clients provided that the existing clients included on such lists have not expressly requested confidentiality, whether in a contract or by written or oral request.

CGMI's Advisory Services

CGMI recommends and employs various investment strategies in providing investment management services, depending upon the services to be rendered and the objectives and guidelines of the client. The investment strategies may involve long-term or short-term purchases, trading and margin transactions. Not all of these strategies are appropriate for all clients, however, and only those strategies believed to be suitable will be utilized in any given client account or advisory program. It is anticipated that there may be a substantial degree of uniformity in client portfolios as a result of the common investment objectives of the clients participating in the various programs.

Each of CGMI's and its affiliates' advisory programs may be based on different methodology and as a result, asset allocation or investment recommendations may differ from program to program. In addition, CGMI and its affiliates may give advice and take action in the performance of their duties to clients which differs from advice given, or the timing and nature of action taken, with respect to other clients' accounts.

CGMI's investment management services generally rely on fundamental analysis with supplemental technical analysis, which may include charting or cyclical review. Computer technology may be employed to more readily display these factors to portfolio managers. Information is derived from many sources. Personnel involved in providing investment advisory services have available CGMI's research facilities and have access to economists and specialists in all major industry groups. Information may be obtained from various other sources including: financial publications (including newspapers and magazines); industrial manuals and publications; inspections of corporate activities; direct contact with and press releases and other reports released by companies; annual reports, prospectuses and filings made with the Securities and Exchange Commission; research materials prepared by others; governmental reports; timing services; and corporate rating services. CGMI and its affiliates at times may not be free to divulge such information to investment advisory clients or act upon it on their behalf.

CGMI affiliates act as investment adviser to an open-end investment company comprising several mutual funds, and act as an administrator for a wide range of open-end and closed-end investment companies registered under the Investment Company Act of 1940. CGMI and its affiliates may also serve as investment advisers to a number of investment funds domiciled and sold outside the United States.

Additionally, CGMI is the depositor and sponsor for numerous unit investment trusts, the portfolios of which are invested in equity and/or debt securities. Citigroup Institutional Trust Company and Citicorp Trust Bank fsb provide for compensation a variety of trust and trust related services to clients of CGMI. In addition, CGMI provides certain advisory services for compensation to various collective funds available to clients of its affiliated trust companies.

CGMI Brokerage and Research Services

As a registered broker-dealer, CGMI regularly advises clients with regard to and executes transactions in a wide variety of securities and other investments, including those specified above. It and its affiliates also act in a partnership capacity in a number of limited partnerships in which its clients may invest. As a futures commission merchant, CGMI also provides advice on commodities and commodity related products.

CGMI provides a wide range of research services to its clients, including reports, analyses, charts and graphs relating to various facets of the investment spectrum in equity and fixed income products. Research services generally are provided to clients on the assumption that the services generate commission or other business for CGMI. However, certain research services may be provided on a hard-dollar, fixed-fee basis and/or, in the case of

firms that may re-sell such services, on a hard-dollar, royalty-fee basis. The amount or rate of any hard-dollar fee generally is negotiable

Certain Civil and Regulatory Actions

The following notices are being furnished pursuant to Rule 206(4)-4 under the Investment Advisers Act of 1940, as amended.

SEC Administrative Proceeding Against Citigroup Global Markets Inc and Smith Barney Fund Management LLC

On May 31, 2005, the Securities and Exchange Commission (The “SEC”) issued an order in connection with the settlement of an administrative proceeding against CGMI and Smith Barney Fund Management LLC (“SBFM”) relating to the appointment of an affiliated transfer agent for the Smith Barney family of mutual funds (the “Smith Barney Funds”). SBFM was an affiliate of CGMI during the relevant period.

The SEC order finds that SBFM and CGMI willfully violated Section 206(1) of the Investment Advisers Act of 1940 (“Advisers Act”). Specifically, the order finds that SBFM and CGMI knowingly or recklessly failed to disclose to the Boards of the Smith Barney Funds in 1999 when proposing a new transfer agent arrangement with an affiliated transfer agent that: First Data Investors Service Group (“First Data”), the Smith Barney Funds’ then-existing transfer agent, had offered to continue as transfer agent and do the same work for substantially less money than before; and that Citigroup Asset Management (“CAM”), the Citigroup business unit that includes the Smith Barney Funds’ investment manager and other investment advisory companies, had entered into a side letter with First Data under which CAM agreed to recommend the appointment of First Data as sub-transfer agent to the affiliated transfer agent in exchange, among other things, for a guarantee by First Data of specified amounts of asset management and investment banking fees to CAM and CGMI. The order also finds that SBFM and CGMI willfully violated Section 206(2) of the Advisers Act by virtue of the omissions discussed above and other misrepresentations and omissions in the material provided to the Smith Barney Fund’s Boards, including the failure to make clear that the affiliated transfer agent would earn a high profit for performing limited functions while First Data continued to perform almost all of the transfer agent functions, and the suggestion that the proposed arrangement was in the Smith Barney Funds’ best interest and that no viable alternatives existed. SBFM and CGMI do not admit or deny any wrongdoing or liability. The settlement does not establish wrongdoing or liability for purposes of any proceeding.

The SEC censured SBFM and CGMI and ordered them to cease and desist from violations of Section 206(1) and 206(2) of the Advisers Act. The order requires Citigroup to pay \$208.1 million, including \$109 million in disgorgement of profits, \$19.1 million in interest and a civil money penalty of \$80 million. Approximately \$24.4 million has already been paid to the Smith Barney Funds, primarily through fee waivers. The remaining \$183.7 million, including the penalty, had been paid to the U.S Treasury and will be distributed pursuant to a plan to be prepared by Citigroup and submitted within 90 days of the entry of the order for approval by the SEC. The order also requires that transfer agency fees received from the Smith Barney funds since December 1, 2004 less certain expenses be placed in escrow and provides that a portion of such fees may be subsequently distributed in accordance with the terms of the order.

The order requires SBFM to recommend a new transfer agent contract to the Smith Barney Fund Boards within 180 days of the entry of the order, if a Citigroup affiliate submits a proposal to serve as transfer agent or sub-transfer agent, an independent monitor must be engaged at the expenses of SBFM to recommend a new transfer agent contract to the Smith Barney Fund Boards within 180 days of the entry of the order; if a Citigroup affiliate submits a proposal to serve as transfer agent or sub-transfer agent, an independent monitor must be engaged at the expense of SBFM and CGMI to oversee a competitive bidding process. Under the order, Citigroup also must comply with an amended version of a vendor policy that Citigroup instituted in August 2004. The policy, as amended, among other things, requires that when requested by a Smith Barney Fund Board, CAM will retain at its own expenses an independent consulting expert to advise and assist the Board on the selection of certain service providers affiliated with Citigroup.

Revenue Sharing and Sales of Mutual Fund Class B and C Shares

In March 2005, the Securities and Exchange Commission (the “SEC”) entered an administrative and cease-and-desist order against CGMI. The SEC order found that there were two disclosure failures by CGMI in the offer and

sale of mutual fund shares to its customers. The first failure related to CGMI's revenue sharing program, whereby CGMI received from advisers and distributors associated with about 75 mutual fund complexes revenue sharing payments, in exchange for which CGMI granted mutual funds access to, or increased visibility in, CGMI's Smith Barney retail distribution network. The order found that CGMI did not adequately disclose its revenue sharing program to its customers but instead relied on the participating funds' prospectuses and statements of additional information to satisfy its disclosure obligations with regard to its revenue sharing program. As a result, the order found that CGMI willfully violated Section 17(a)(2) of the Securities Act of 1933 ("Securities Act") and Rule 10b-10 under the Securities Exchange Act of 1934 ("Exchange Act"). The second disclosure failure concerned CGMI's sales of Class B mutual fund shares in amounts aggregating \$50,000 or more. The order found that CGMI failed to disclose adequately at the point of sale, in connection with recommendations to customers to buy Class B shares, that such shares were subject to higher annual fees and that those fees could have a negative impact on customer investment returns, depending on amount invested and intended holding period. As a result, the order found that CGMI willfully violated Section 17(a)(2) of the Securities Act. Based on these findings, the SEC order censured CGMI, required CGMI to cease and desist from committing or causing violations and future violations of Securities Act Section 17(a) and Exchange Act Rule 10b-10, and required CGMI to pay a \$20 million civil money penalty.

In March 2005, NASD Inc. ("NASD") censured and fined CGMI with respect to CGMI's offer and sale of Class B and Class C mutual fund shares during 2002 and the first six months of 2003. The NASD found that CGMI either had not adequately disclosed at the point of sale, or had not adequately considered in connection with its recommendations to customers to purchase Class B and Class C shares, the differences in share classes and that an equal investment in Class A shares generally would have been more advantageous for the customers. The NASD also found that CGMI's supervisory and compliance policies and procedures regarding Class B and Class C shares had not been reasonably designed to ensure that SB Financial Advisors consistently provided adequate disclosure of, or consideration to, the benefits of the various mutual fund share classes as they applied to individual customers. As a result, the NASD found that CGMI violated Conduct Rules 2110, 2310 and 3010. Based on these findings, the NASD censured CGMI and required CGMI to pay a \$6.25 million fine.

Research and Initial Public Offerings

In 2003, Salomon Smith Barney Inc., now known as Citigroup Global Markets Inc. ("SSB"), settled civil and regulatory actions brought by the U.S. Securities and Exchange Commission, the New York Stock Exchange, Inc. ("NYSE"), the NASD, the Attorney General of the State of New York ("NYAG"), and state securities regulators, which alleged violations of certain federal and state securities laws and regulations and certain NASD and NYSE rules by SSB arising out of certain of its business practices concerning (1) sell-side research during the period 1999 through 2001, and (2) initial public offerings ("IPOs") during the period 1996 through 2000. The actions alleged, among other things, that SSB published certain fraudulent research reports, permitted inappropriate influence by investment bankers over research analysts and failed to adequately supervise the employees who engaged in those practices. It was also alleged that SSB engaged in improper "spinning" of shares to executives of investment banking clients and failed to maintain policies and procedures reasonably designed to prevent the potential misuse of material non-public information in certain circumstances.

Solely for the purpose of settling each proceeding, prior to hearing, without adjudication of any issues of law or fact, and without admitting or denying the facts or conclusions alleged in the respective regulators' documents, SSB consented to findings that SSB violated certain federal and state securities laws and regulations and certain NASD and NYSE rules, as described above, and agreed to the sanctions described below. In settling the various civil and regulatory actions, SSB consented to the imposition of censures by NASD and NYSE, the issuance of cease and desist orders in state proceedings prohibiting it from violating certain state laws and regulations, the entry of a final judgment enjoining SSB from violating certain provisions of the federal securities laws and certain self-regulatory organization rules, and ordering it to make a total payment of \$400 million. The final judgment also ordered SSB to comply with its undertakings to implement certain structural reforms relating to the operation of its research and investment banking departments. SSB also agreed to participate in a voluntary initiative pursuant to which it will no longer make allocations of securities in hot IPOs to accounts of executive officers or directors of a U.S. public company or a public company for which a U.S. market is the principal equity trading market.

Market-Timing

On July 13, 2007, NYSE Regulation, Inc. (the "NYSE") issued a Hearing Board Decision in connection with the settlement of an enforcement proceeding brought in conjunction with the New Jersey Bureau of Securities ("NJBS")

against Citigroup Global Markets Inc. (“CGMI” or “the Firm”). The decision concerned the Firm’s failure to supervise adequately certain branch offices and CGMI Financial Advisors (“FAs”) who engaged in deceptive mutual fund market timing on behalf of certain customers from January 2000 through September 2003. The decision notes that market timing occurred in the Firm’s proprietary funds and in non-proprietary funds. Between 1998 and May 2000, the Firm made efforts to end market timing in its proprietary funds and its fee-based mutual fund trading programs. Market timing by FAs in proprietary funds ended by late 2001 or early 2002. Market timing in non-proprietary funds continued until September 2003. The decision noted three CGMI branches for the most serious conduct, and that six branches accounted for over 40% of all market-timing transactions. The NYSE also found that while the Firm had policies in place to address market timing, such policies were inadequate and inadequately enforced.

Without admitting or denying guilt, the Firm consented to a finding that it violated: NYSE Rule 342 by failing to reasonably supervise certain business activities and establish and maintain appropriate procedures for supervision and control with respect to trading of mutual funds and fund-like sub-accounts of variable annuities; NYSE Rules 401(a) and 476(a) by failing to prevent certain brokers from engaging in violative market timing of mutual funds, including use of deceptive practices related to market timing of funds; and Section 17(a) of Securities Exchange Act of 1934, Rules 17a-3 and 17a-4 thereunder, and NYSE Rule 440 by failing to make or preserve accurate books and records reflecting or relating to order communication and entry time for fund shares, rejection or cancellation of trades related to market timing, and orders or confirmations for transactions executed by Firm employees in variable annuity products sub-accounts held away from the Firm. The Firm consented to a penalty consisting of censure and a payment of \$50 million to be distributed as follows: (a) \$35 million to be placed in a distribution fund as disgorgement; (b) a penalty of \$10 million, half to be paid directly to NYSE Regulation and half to be paid directly to the distribution fund; and (c) a penalty of \$5 million to be paid to the State of New Jersey. The Firm also must appoint an Independent Distribution Consultant not unacceptable to the NYSE who will develop a distribution plan for the disgorgement amount, which, to the extent feasible, shall go first to Firm customers who during the period January 2000 through September 2003 invested long-term in funds that were the subject of the market timing, with any funds not distributed to be returned to NYSE Regulation.

BIOGRAPHICAL INFORMATION

The following brief biographical information describes personnel at Citigroup Global Markets Inc. and Citi Private Bank division, who are either principal executive officers or who have supervisory responsibility with regard to the investment management and consulting programs described in this brochure.

Principal Executive Officers

Michael L. Corbat, born 1960, is Chief Executive Officer of Citi's Global Wealth Management. He is also a member of Citi's Senior Leadership Committee. Prior to his current position, he was a Managing Director and Head of the Global Corporate Bank and Global Commercial Bank at Citi. Previously, Mr. Corbat was Head of Global Emerging Markets in Markets and Banking, responsible for the origination, trading, and sales of emerging markets fixed income debt. Mr. Corbat joined Salomon Brothers, a Citi legacy firm, in 1983 in the Fixed Income Sales Department. He currently serves on the Board of Trustees of the Salisbury School and is a member of the Board of Directors of the BritishAmerican Business, Inc. and the Swedish American Chamber of Commerce. Mr. Corbat earned a B.A. in Economics from Harvard University in 1983.

John Havens, born 1956, is Chief Executive Officer of Citigroup Global Markets Inc. and Citi Institutional Clients Group (ICG), the institutional division of Citigroup Inc. He was previously Chief Executive Officer of Citi Alternative Investments (“CAI”), where he remains Chairman. Prior to joining CAI, Mr. Havens was a founder and a Partner of Old Lane, LP, that was acquired by Citigroup in 2007. Before forming Old Lane in 2005, Mr. Havens was head of Institutional Equity at Morgan Stanley and a member of the firm’s Management Committee. He began his career in 1979 as a trader of convertible securities at Kidder Peabody. Mr. Havens holds a B.A. degree from Harvard University.

Cliff Verron, born 1957, is Chief Financial Officer of CGMI and Deputy Chief Financial Officer of CIB. He has been with CGMI or its predecessor companies since 1982. Mr. Verron holds a B.S. in Accounting from Southern Connecticut State University and an M.B.A. from Adelphi University

Charles D. Johnston, born 1953, is President and Chief Executive Officer of the Smith Barney Private Client Group division of CGMI. He is also a Senior Executive Vice President of CGMI. Prior to holding these positions, Mr. Johnston was the Director of Smith Barney Private Client Group's Branch System, and a Divisional Director of Smith Barney. He has been with CGMI or its predecessor companies since 1982. Mr. Johnston holds an undergraduate degree from Purdue University.

Edward F. Greene, born 1941, is Deputy General Counsel for Citigroup and General Counsel of Institutional Clients Group and a Managing Director of CGMI. He joined Citigroup and CGMI in May 2004. Previously, Mr. Greene was a partner at the law firm of Cleary, Gottlieb, Steen & Hamilton, which he joined in 1982. Prior to joining Cleary, Gottlieb, he was General Counsel of the Securities and Exchange Commission (1981 – 1982) and Director of the Securities and Exchange Commission's Division of Corporate Finance (1979 – 1981). Prior to joining the Securities and Exchange Commission, Mr. Greene was engaged in the private practice of law in New York. Mr. Greene holds an undergraduate degree from Amherst College and an LL.B. degree from Harvard Law School.

Michael J. Sharp, born 1955, is Deputy General Counsel for Citigroup and General Counsel of Citi Global Wealth Management, Consumer Banking and Cards. He is also a Managing Director of CGMI, which he joined in 1997. Previously, Mr. Sharp was a litigation associate at Cravath, Swaine & Moore. He was a U.S. Treasury Bond Trader before pursuing a legal career. Mr. Sharp holds a J.D. from the University of Georgia, an M.B.A. from Cornell University and a B.A. from Fordham University.

Marisa (Maria Louise) Lago, born 1955, is the Global Head of Compliance Officer for Citi Markets and Banking. Previously, she headed Citigroup's Global Workforce Development. Before joining Citigroup in 2001, Ms. Lago was Director of the Office of International Affairs for the U.S. Securities and Exchange Commission, Director of the Boston Redevelopment Authority, and General Counsel of the New York City Economic Development Corporation. She holds a J.D. cum laude from Harvard Law School and a B.S. in Physics from Cooper Union.

Cynthia Ann Armine, born 1961, is Director of Compliance for Citi Global Wealth Management, which includes Citi Private Bank, Citi Smith Barney Private Client Group and Citi Investment Research. Previously, she was Global Head for Smith Barney Compliance division of CGMI and Compliance Director of CGMI. Ms. Armine has been with CGMI or its predecessor companies since 1980. Before Salomon's merger into Smith Barney Inc., she served as Compliance Director. After the merger, she was Co-Director of Compliance for Salomon Smith Barney for one year and was subsequently appointed Director. Ms. Armine has also served as a member of the NYSE Regulatory Committee and is a regular participant on industry panels. Ms. Armine attended Staten Island Community College.

Citi Private Bank

Ed Munshower, born 1959, is Managing Director and Global Head of Tailored Portfolio Group. Before joining Citigroup in 2002, he spent 17 years at Mackay Shields LLC, where he held various positions including Managing Director and Senior Portfolio Manager. Mr. Munshower received a B.B.A. in Accounting and Finance from Emory University and an M.B.A. in Finance from New York University, Stern School of Business. He is also series 7 and 24 registered and is a Chartered Mutual Fund Consultant (CMFC).

Jeffrey Lombardi, born 1960, is a Director and Global Head of the Umbrella Portfolios. He is an active participant of the Investment Strategy Committee and Investment Policy Committee. He and his team also take part in the Manager Selection Committee. Before joining Citigroup, and its predecessor firms in 2002, Mr. Lombardi was Managing Director of NextGen Capital. Prior to joining NextGen Capital, he was a Principal at Alex & Sons, where he was an Investment Advisor. Mr. Lombardi earned a B.S. in Marketing from Loyola College.

Private Portfolios Group

Roger Paradiso, born 1966, is a Managing Director of CGMI and President and Chief Investment Officer of Private Portfolios Group a division of CGMI. Prior to April 2008, he was the President and Chief Investment Officer Legg Mason Private Portfolio Group, LLC ("LMPPG") since 2007. Previously, he was a Portfolio Manager and Managing Director of ClearBridge which he joined in December 2005. Prior to December 2005, Mr. Paradiso was a Managing Director of CGMI and served as a Portfolio Manager of Smith Barney Asset Management, a division of

CGMI. He joined CGMI's predecessor in 1988. Mr. Paradiso received a B.S. in Finance from Long Island University.

Darren Recupero, born 1968, is a Managing Director of CGMI and Chief Operating Officer of Private Portfolios Group. Prior to April 2008, he was the Chief Operating Officer of LMPPG since 2007. Previously, Mr. Recupero served as Business Manager for the Active Platform of Citigroup Asset Management and was a Managing Director of CGMI. He joined Citigroup Asset Management in August 2000 as Head of US Retail Business Management. Before joining Citigroup Asset Management, Mr. Recupero held the following professional positions: Director of National Accounts at John Nuveen and Company (1999-2000) and Director of Investment Manager Research at Prudential Investments (1991-1999). He holds a B.A. in Government Politics and Economics from The University of Maryland, College Park, MD.

Elba R. Cruz, born 1966, is a Managing Director of CGMI and Senior Portfolio Strategist of Private Portfolios Group. Prior to April 2008, she was the Director of Structured Portfolios of LMPPG since 2007. Previously, Ms. Cruz was a Portfolio Manager and a Director of ClearBridge, which she joined in December 2005. Prior to joining ClearBridge, Ms. Cruz was a Director of CGMI and served as a Portfolio Manager of Smith Barney Asset Management. She joined CGMI's predecessor in 1991 and holds a B.S. in Accounting from Hunter College, City University of New York.