



BRIDGE INVESTMENT GROUP

Annual Compliance Training - 2022

BRIDGE
INVESTMENT
GROUP

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Conduct and Culture

Introduction

- Bridge is a Registered Investment Adviser (RIA) and a public company
- Legal and Compliance oversight is a top priority for regulators
- Use common sense and good judgement

Consequences for Non-Compliance

- Consequences for **you**:
 - Internal or external disciplinary action
 - Employment can be terminated
 - Subject to civil and/or criminal penalties
- Consequences to Bridge:
 - Fines
 - Reputation could be negatively impacted
 - Regulators can suspend/terminate business

Escalations

- Escalate any business conduct that might raise a concern
- If you make a mistake, ask for help. Do not attempt to cover it up or act alone
- Whistleblower Hotline: **(855) 863-6590**



RIA Considerations

Investor Complaints

- Complaints must be **acknowledged** within 15 business days from receipt
- Must provide a clear and transparent response within a reasonable time
- Always escalate to Compliance

Record Retention

- Bridge has a regulatory requirement to maintain accurate and orderly records.
- It is **your responsibility** is to save relevant files **within Bridge systems** (Box, OneDrive etc.)
- Emails/business communications archived

Investor Disclosures

- Bridge is required to disclose a fund's transactions with related parties and affiliates.
- This includes, but is not limited to:
 - Services to a fund or to fund assets
 - Fees for goods or services provided by third parties in which Bridge has ownership interest
 - Potential conflicts of interest
- LPAC approval/disclosure required in some cases



Personal Compliance

Outside Brokerage Accounts

- You must disclose **all accounts** that allow holding or trading of securities using ComplySci
 - Including E*Trade account that hold Bridge RSAs
- Monitoring automated via ComplySci
- Preferred Brokers:
 - Morgan Stanley;
 - Fidelity;
 - Robinhood;
 - Charles Schwab;
 - E*Trade;
 - Merrill Lynch;
 - TDAmeritrade;
 - Vanguard;
 - UBS; and
 - Wells Fargo

Personal Trading

- BRDG Stock:
 - Trading prohibited during the blackout period
 - Free to transact during the open window (except while in possession of MNPI)
- Other securities in the restricted list:
 - Pre-approval from Compliance is required
- All approved trades must be executed within 5 business days.
- When in doubt, do not trade

Restricted Trading List

- Bridge maintains a “restricted list”
- A company may be added to the restricted list for various reasons (e.g., required in connection with an NDA)
- During blackout periods BRDG Stock will be added to the restricted list

Personal Compliance

Outside Affiliations

- Requires pre-approval - confirming no actual or apparent conflict of interest exists
- Includes being on the board of a non-profit or volunteering (e.g., Make-a-Wish)
- Does not include volunteer affiliations with religious organizations
- May require disclosure to investors

Gifts and Entertainment

- Need to be reported/tracked in ComplySci if > \$100
- Any gift in excess of \$500 needs prior approval
- All gifts to government connected entities (e.g., CalPERS, CalSTRS) need prior approval

Political Contributions

- Pre-clearance required for contributions:
 - Political officials
 - State and local political contributions
 - Political party / PAC
- “Pay to Play Rule” - Rule 206(4)-5 under the Advisers Act
 - Can be triggered when a firm or covered employee donates money to a government official who has control over allocating funds



Communication Guidelines

Business Related Communications

- Use Bridge email for **all** business-related communications
- Instant messaging / text messaging investors – only ok for non-substantive uses
- All communications must be professional and in good taste

Social Media

- Employees are not permitted to use their personal social media for business purposes other than LinkedIn
- Employees may not post information on their work responsibilities on social media
- Employees may not discuss Bridge's advisory business on any social media website without Compliance approval

Communications with the Press/Public

- Only authorized employees are permitted to communicate with the public or media on behalf of Bridge
- Discussing fundraising efforts or investment performance track record during public speaking engagements or in published articles is **prohibited**
- Contact Compliance prior to making any statements to the media



Confidential Information

Protecting Confidential Information

- Take appropriate measures to safeguard sensitive documents
- Confidential materials should not be discussed or reviewed in public places
- Do not send confidential Bridge information to your personal email

Need-to-Know Standard

- Share information strictly on a “need-to-know” basis
- Only disclose confidential information if it is necessary for the recipient’s business duties
- This applies even when communicating with colleagues within your department

Insider Trading

- What is insider trading?
 - Using material non-public information to trade in securities; or
 - Communicating material non-public information to others are not subject to confidentiality obligations
- What is material non-public information?
 - A reasonable investor would consider information important in making decision
 - Public dissemination of information is likely to have a substantial effect on the price of BRDG



ESG and Climate Issues

Greenwashing

- What is greenwashing?
- **Clearly distinguish** between our commitments and what we've actually accomplished
- There is tremendous scrutiny from investors on how firms are executing their ESG agenda

Increasing Regulatory Oversight of ESG

- Regulators are ramping up efforts to proactively identify ESG-related misconduct
- In 2022, we have seen increased enforcement actions related to Greenwashing and other misleading ESG claims

Recent Enforcement Actions

- **BNY Mellon** (May 2022)
 - Allegedly represented to investors that all its investments were reviewed for ESG quality, however, certain funds were effectively exempted
 - Settled for \$1.5 Million
- **DWS (Deutsche Bank)** (August 2021)
 - Currently under investigation by the SEC and German regulator
 - Allegedly made misleading statements in its 2020 annual report claiming more than half their assets were invested using ESG criteria



Q&A

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