

**Item 1: Cover Page**

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AIB Investment Managers Ltd. (“AIBIM”) is an investment adviser regulated by the Central Bank of Ireland and is registered with the United States Securities and Exchange Commission (“SEC”). Registration with the SEC does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of AIBIM. If you have any questions about the contents of this brochure, please contact us at 1-011-353-1-6410151. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about AIBIM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This brochure was last amended on March 30, 2012.

## **Item 2: Material Changes**

This section describes only material changes since the last annual update of AIBIM's brochure on March 31, 2011. In Item 4, AIBIM has updated the information pertaining to total assets under management.

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## Item 4: Advisory Business

AIBIM is an asset management business which manages assets solely on behalf of its clients. AIBIM has been managing investment portfolios since 1966. AIBIM serves a diverse client base in Ireland, the U.S., Europe and Asia. AIBIM is wholly-owned by AIB Asset Management Holdings (Ireland) Ltd., which is wholly-owned by Allied Irish Banks, p.l.c. (the “AIB Group”).

For U.S. clients, AIBIM specializes in the management of global and international equity mandates, including global (world) and international (world excluding the U.S.) equity income and global and international equity socially responsible investing (“SRI”). SRI strategies are typically tailored to meet specific client restrictions, including the prohibition of specific securities. Non-SRI portfolios can also be customized to meet specific client requirements, including restrictions on investing in a specific stock, country or region.

All global and international equity portfolios are managed on a long only basis, with no shorting of securities allowed. Portfolios are typically comprised of 50 to 70 large capitalization, income/dividend focused securities.

AIBIM additionally provides a range of investment services to its non-U.S. clients, including, balanced assets, regional equity, fixed income, forestry, real estate and cash mandates.

As of December 31<sup>st</sup>, 2011, total assets under management were as follows:

* Discretionary:	\$7,779,000,000
Non-Discretionary:	\$567,000,000

\* Including U.S. client assets of \$12,300,000

AIBIM does not participate in any wrap fee programs.

## **Item 5: Fees and Compensation**

AIBIM employs the following flat investment management fee structure for all U.S. client accounts:

Investment management fee per account:     0.75% of the value of the account

Investment management fees are negotiable in some cases. Fees are billed and payable quarterly in arrears or as otherwise agreed in the investment management contract. The value of the account is calculated as of the last business day of each calendar quarter and adjusted for time weighting of cash flows in excess of \$15,000. Investment management contracts are terminable upon 30 days prior written notice. Upon termination, a client will receive a pro rata invoice for management fees outstanding from the beginning of the billing period up to the date of termination. The client is independently responsible for contracting a custodian to maintain custody of the client's funds and for the costs related to that relationship. The client will also incur brokerage commissions and other transaction costs as part of regular portfolio trading, which commissions and costs are separate from AIBIM's investment management fee. Brokerage practices are discussed in Item 12 of this brochure.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

Not applicable.

## **Item 7: Types of Clients**

AIBIM offers discretionary investment management services to the following types of clients:

- Corporate Pension Plans
- Public Pension Plans
- Charitable Organizations
- Investment Managers and Financial Intermediaries
- High Net Worth Individuals
- Family Offices
- Taft-Hartley Plans
- Endowments and Foundations
- Faith-based Investors
- Insurance Companies

AIBIM offers separate account services. The minimum account size for a separate account for a U.S. client is approximately \$10 million.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **AIBIM's Organization and Structure:**

AIBIM focuses on two areas, Asset Management and Relationship Management. This segregation allows each Asset Manager to concentrate on his or her assigned market sectors. Examples of market sectors include International Fixed Interest, U.K. Equities, U.S. Equities, Irish/Continental European Equities, Far Eastern Equities and Currencies. Each Relationship Manager is responsible for identifying and attending to the individual needs of his or her assigned client portfolios. Asset Managers and Relationship Managers communicate regularly to ensure that optimal investment strategies are used for each client's portfolio. AIBIM notes that investing in securities involves risk of loss that clients should be prepared to bear.

### **Investment Policy Determination:**

For U.S. clients, AIBIM specializes primarily in the management of global and international equity mandates, including global and international equity income and global and international equity SRI accounts on a separate basis. A Lead Portfolio Manager is designated for each product and is responsible for the product's portfolio construction. The geographic and sector allocation of a portfolio is reviewed formally every month at a meeting of the Global Products Group, which is chaired by the Co-Heads of the Global Equity Team, Paul Cahill and Louise McGuigan. The group ensures that portfolio style is consistent with both the mandate and the investment expectations of the Global Equity Team.

The Global Products Group takes into account all of AIBIM's evolving views on economies and markets in light of prevailing circumstances in deciding on appropriate geographic and sector changes. These decisions are then communicated to the Lead Portfolio Managers, who implement the decisions after consultation, when necessary, with Relationship Managers to ensure changes are consistent with client mandates.

### **Securities Selection:**

The Lead Portfolio Managers have discretion over, and are responsible for, the acquisition and disposal of individual securities in a portfolio, subject to the approval of the Co-Heads of the Global Equity Team.

Portfolio Managers carry out their own research in their market sectors. Company and market analysis are also supported by in-house research and analysis. AIBIM emphasizes internal and fundamental research to support and appraise the research that is available from external sources. This research focuses on the financial health of the company, company valuation relative to its history and its sector, company strategy and market position relative to its competitors and a qualitative assessment of the management team. All of these factors are assessed with reference to AIBIM's judgment as to where we are in the economic/investment cycle. Stocks are selected with the goal of constructing an overall portfolio meeting the stated objectives. For example, AIBIM typically structures equity income portfolios with the goal of achieving a higher than average



dividend yield, a lower than average volatility of return and a higher than average level of quality as measured by return on equity.

AIBIM applies risk and return metrics as part of the securities selection process to check for risk implications. This process also enables checks to be made to determine any inconsistent style biases which may be emerging within portfolios.

### **Currency Exchange Transactions:**

AIBIM sometimes uses contracts to purchase or sell foreign currencies at a future date, known as “currency forward contracts”, to protect against adverse changes in currency exchange rates relating to the purchase or sale of securities for client portfolios, or to protect the value of specific portfolio positions. AIBIM also uses currency forward contracts in connection with corporate liquidity management.

## **Item 9: Disciplinary Information**

Neither AIBIM nor any management person of AIBIM has been involved in a legal or disciplinary event that AIBIM deems material to a client's or prospective client's evaluation of AIBIM's advisory business or the integrity of its management.

## **Item 10: Other Financial Industry Activities and Affiliations**

AIBIM is wholly owned by AIB Asset Management Holdings (Ireland) Ltd., which is wholly owned by the AIB Group. With respect to U.S. clients, AIBIM acts independently of the AIB Group and its other affiliates. Potential conflicts arising from transactions involving the AIB Group or one of its other affiliates are discussed in Item 11 of this brochure.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

AIBIM's Code of Ethics sets forth the high ethical standards that AIBIM abides by as an investment adviser. The Code of Ethics prohibits activities such as insider trading and establishes procedures to protect against conflicts of interest, including certain restrictions on personal trading, receipt of gifts, and outside employment by AIBIM's employees. Any client or prospective client may obtain a copy of AIBIM's Code of Ethics upon written request to AIBIM.

While AIBIM believes that its Code of Ethics implements appropriate measures to address conflicts of interest among AIBIM, its personnel and its clients, clients and prospective clients should recognize that no set of rules can possibly anticipate or alleviate every potential conflict.

AIBIM notes that the AIB Group and/or certain of its other affiliates provide a full range of banking, investment banking and investment services. As a result of these numerous relationships, AIBIM acknowledges that it will encounter actual or potential conflicts of interest periodically.

Where an actual or potential conflict of interest arises, AIBIM evaluates all of the circumstances involved. After identifying and evaluating the nature of the conflict, AIBIM bases its investment decision solely on considerations deemed to be in the best interests of its clients and requires that all transactions be conducted on an arm's-length basis.

Subject to applicable laws and regulations, AIBIM may from time to time effect foreign currency exchange transactions on behalf of a client account with the AIB Group. Such currency exchange transactions are conducted with the AIB Group only when the exchange rate offered is at least as favorable as the rate available from an unaffiliated party.

## Item 12: Brokerage Practices

AIBIM considers the following factors when selecting a broker-dealer and negotiating commissions: (i) the financial standing of the firm; (ii) whether the firm provides comprehensive coverage of the particular investment market; (iii) whether the securities prices offered by the firm represent fair market value; (iv) the firm's standard of research coverage; and (v) the firm's standard of back-office and settlement arrangements. All of AIBIM's dealing arrangements are subject to best execution inclusive of commissions and therefore no higher commissions are paid to brokers for research products and services. Research products and services are used for all client accounts.

AIBIM uses research obtained from broker-dealers to supplement its own research if it is relevant to the particular market and comprehensive in terms of market prospects. AIBIM monitors the recommendations of broker-dealers in regard to specific stocks and their views on sector and economic prospects against their outcome, and reviews the composition of its panel of broker-dealers in light of the findings of these ongoing exercises. AIBIM is of the opinion that, because the research provided by broker-dealers must be analyzed and reviewed, its receipt and use does not tend to reduce expenses but it may benefit clients by supplementing AIBIM's own research. In the opinion of AIBIM, it is not possible to measure separately the benefits to each of its accounts from the research provided by broker-dealers.

In providing discretionary investment management services to clients, AIBIM generally is responsible for decisions to buy and sell securities and for the placement of portfolio business and the negotiation of commissions, if any, paid on such transactions. AIBIM effects portfolio transactions for its clients in a manner deemed fair and reasonable and not according to any formula. The primary consideration in all portfolio transactions is to execute transactions most efficiently.

AIBIM may aggregate portfolio transactions for client accounts. Whenever aggregate decisions are made to purchase or sell securities, AIBIM will attempt to allocate portfolio transactions equitably among accounts. All allocation decisions are made prior to the execution of the transactions. In making such allocations, the main factors considered will be the respective investment objectives, the relative size of portfolio holdings of the same or comparable securities, the availability of cash for investment, the size of investment commitments generally held, and the opinions of the persons responsible for recommending investments to the accounts. In some cases this procedure could have an adverse effect on the price or amount of securities available to a particular account. In the opinion of AIBIM, however, the results obtained by application of the procedures will, on the whole, be in the best interest of each client. AIBIM may from time to time sell a security for a client account and simultaneously purchase the security for another client account, when the transactions are conducted in accordance with applicable laws and regulations and deemed to be consistent with the investment objectives and policies of each account.

AIBIM may aggregate currency transactions for different client accounts. AIBIM will equitably rotate the selection of client counterparties and equitably allocate transactions where different clients use the same counterparty. AIBIM will not buy a currency from one account and sell it to another account. AIBIM currently does not have any directed brokerage arrangements with its U.S. clients.

### **Item 13: Review of Accounts**

AIBIM's Relationship Managers review accounts on a regular basis under the guidance of AIBIM's Directors. Further, in most cases, Relationship Managers review individual portfolio performance for each client on a quarterly basis. Approximately 25 to 30 individuals at different levels within AIBIM's organization are involved in the process of regular review of client accounts, ensuring that the investment strategy implemented for each client is in line with the investment policy determined in accordance with the process outlined in Items 4 and 8 of this brochure. AIBIM's review of client accounts is facilitated by the maintenance of investment models and specific investment portfolios.

When a client appoints AIBIM as its investment manager, AIBIM has discussions with the client or its representative that establish clear investment objectives which take account of the specific requirements of the client. Thereafter, AIBIM has regular meetings with its client or the client's representative to examine the progress of the portfolio. A client can arrange with AIBIM to include in the investment report special reporting requirements tailored for that client. In most cases, clients request and receive quarterly written reports, while in some cases reports are issued on a monthly or semi-annual basis. These periodic written reports typically contain automatically generated information on the portfolio's security holdings and asset values, transaction history and rate of return for the period covered, along with general market and economic commentary. Relationship Managers maintain regular communications with clients.

## **Item 14: Client Referrals and Other Compensation**

Not applicable.

## **Item 15: Custody**

AIBIM does not provide custody of client assets for its U.S. clients. AIBIM's clients typically arrange for their custodians to forward records to AIBIM, and AIBIM compares records received from the custodians against its own records.



## **Item 16: Investment Discretion**

AIBIM provides discretionary investment management services to its clients. AIBIM exercises discretion over the buying and selling of securities and the negotiation of commissions payable to brokers in connection with those transactions. AIBIM's primary considerations when exercising discretion are to seek the most favorable prices and to execute the transactions efficiently.

For US clients, AIBIM specializes in the management of global and international equity mandates, including global and international equity income and global and international equity SRI. SRI strategies are typically tailored to meet specific client restrictions, including the prohibition of specific securities. Non-SRI portfolios can also be customized to meet specific client requirements, including restrictions on investing in a specific stock, country or region. Prior to entering into an advisory agreement with a new client, AIBIM and the client discuss and agree upon (a) the client's investment strategies and how those strategies will be implemented, and (b) any desired SRI screening or restrictions, including screening criteria.

## **Item 17: Voting Client Securities**

When a client independently appoints a custodian to maintain custody of its assets, then any proxy voting arrangement will be established directly between the custodian and the client or a representative appointed by the client.

Separately, clients often grant AIBIM authority to respond to corporate action matters (*i.e.*, actions affecting investment management decisions or the client's economic position) on their behalf. In general, decisions to vote for or against corporate actions will be based on the perceived financial results to the client. Controversial proposals or situations involving a potential conflict of interest will be reviewed on a case-by-case basis by the Head of Compliance. AIBIM does not usually solicit or receive instructions from clients on how to respond to a particular corporate action matter.

Upon written request, AIBIM will furnish to a client records of AIBIM's responses to corporate action matters on behalf of that client.

## **Item 18: Financial Information**

Not applicable.