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This brochure provides information about the qualifications and business practices of Sanderson Asset Management Ltd (“SAM”). If you have questions about the contents of this brochure, please contact us using the details shown above. Additional information about SAM is also available on the Securities and Exchange Commission’s website at www.adviserinfo.sec.gov or SAM’s website at www.sandersonam.com.

SAM is a registered investment adviser with the Securities and Exchange Commission (“SEC”) in the United States and is authorised and regulated by the Financial Services Authority (“FSA”) in the United Kingdom. Registration does not imply, in any way, a certain level of skill or training and the information in this brochure has not been approved or verified by the SEC, any other state or federal regulatory authority, any foreign regulatory authority or any self-regulatory body.

Investors invested in any one of SAM’s commingled funds (collectively referred to as “**Unitholders**”) and any separate account clients (together with the commingled funds, collectively referred to as “**Clients**”) and potential investors should rely only on the information contained in this document or

in documents that SAM has specifically provided. SAM has not authorised any third party to provide information in connection with its investment programme or investment operations.

Item 2. Material Changes

The last update of SAM's Form ADV brochure took place on 20th March 2012, when SAM was required to file an other than annual amendment in accordance with new SEC requirements.

As of 31st December 2011, the minimum initial investment for SAM's US Funds has been increased from \$2 million, so that Unitholders investing in SAM's US Funds will generally be required to invest a minimum of \$5 million at the inception of their relationship with SAM. The minimum initial investment for SAM's Irish Fund is still \$2 million.

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Item 4. Advisory Business

Firm Inception and Ownership Structure

Sanderson Asset Management Limited (“**SAM**”), formed in October 2000 by Tim Sanderson, is an independently owned investment management firm offering international equity services principally to U.S. Clients. SAM is controlled (50.1%) by its current and former employees who are committed to SAM remaining independently owned. We believe independent self-ownership allows constancy of purpose and the alignment of our interests with those of our investors. Silchester Partners Limited (“**Silchester**”) holds a minority interest in SAM.

Types of Investment Offered

SAM provides discretionary investment management services to its Clients according to a clear investment strategy (please refer to Item 8). The investment objective is to achieve long-term growth primarily by investing in a diversified portfolio of equity securities of companies located in any country other than the United States or Canada. To achieve its objectives, SAM generally seeks to invest in a portfolio of securities that, in its opinion, possess fundamental investment value. SAM does not provide financial planning, quantitative planning or market timing services to Clients.

Full Investment Discretion

As per the investment management agreement executed with all Clients, SAM accepts discretionary authority to manage securities accounts on behalf of its Clients and underlying investors. Other than as specified by one of SAM’s commingled fund’s (each a “**Fund**” and together the “**Funds**”) investment guidelines or pursuant to the terms of a separate account investment management agreement, SAM has sole authority to determine, without obtaining specific consent, the amount of and specific securities to be bought and sold for each Client.

Assets Under Management

As of 30th April 2012, SAM managed \$7,876,759,866 in Client assets on a fully discretionary basis in both its Funds and separate accounts.

Item 5. Fees and Compensation

Funds

SAM provides discretionary investment management services to Unitholders invested in its Funds on the following fee scale:

Amount:	Fee Scale
	(% of funds under management per Unitholder per annum)
First \$10,000,000	1.00%
Next \$15,000,000	0.90%
Next \$25,000,000	0.65%
Next \$25,000,000	0.55%
Thereafter	0.45%

Fees are paid by each Unitholder invested in a Fund based upon the market value of the units held by the Unitholder rather than the value of the Fund itself. Fees are normally payable monthly in arrears, although the actual timing of fee payments will depend on the underlying legal domicile of a Fund and the terms of its operating agreements. Fees are normally paid via the redemption of part of the units held by each Unitholder in a Fund on a monthly basis.

The Funds pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, “bid-ask” spreads, mark-ups, stock loan expenses, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments. Please see Item 12 for a further discussion of SAM’s brokerage practices. The Funds are obligated to pay all income and other taxes related to their underlying investments. In addition, in certain rare situations, the Funds may be required to reimburse SAM or the third party service providers to the Funds for legal expenses incurred to protect the Unitholders that SAM determines are not routine (e.g., extraordinary legal expenses such as those incurred in connection with litigation to protect or promote the investment rights or obligations of the

Funds (as applicable) and legal or accounting expenses incurred in connection with reclaiming foreign withholding taxes) and that are not borne by SAM.

SAM pays all routine legal, audit and accounting fees related to the Funds and the ongoing offering of units as well as annual audit fees and tax return expenses (if any). SAM pays any fees payable to the custodians, trustees, fund administrators, managers, managing members, auditors, tax advisors and other similar service providers of the Funds. SAM has paid all expenses incurred in connection with the organization and the formation of Funds and will pay all costs associated with the ongoing issuance of the units of these Funds to the extent that it remains the appointed investment manager of the Funds. The Funds are not required to raise a minimum amount in order to defray these costs and expenses. The Funds are not required to reimburse SAM in the event that the investment management fees are insufficient to cover the expenses borne by SAM.

Separate Accounts

SAM provides discretionary investment management services to its separate account clients on the following fee scale:

Amount:	Fee Scale
(% of funds under management per client per annum)	
First \$25,000,000	0.80%
Next \$25,000,000	0.60%
Next \$25,000,000	0.50%
Thereafter	0.40%

Separate account clients are generally invoiced on a quarterly basis in arrears for the investment management services that SAM provides. No other additional fees or expenses are charged to separate account clients. Clients invested in separate accounts pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, bid-ask spreads, mark-ups, stock loan expenses, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments. Please see Item 12 for a further discussion of SAM's brokerage practices. Clients invested in separate accounts are obligated to pay all income and other taxes related to their underlying investments. In addition, in certain rare situations, clients invested in separate accounts may be required to reimburse SAM for legal expenses incurred to protect the investor that SAM determines are not routine (e.g., extraordinary legal expenses such as those incurred in connection with litigation to protect or promote

the investment rights or obligations of the investors invested in separate accounts (as applicable) and legal or accounting expenses incurred in connection with reclaiming foreign withholding taxes) and that are not borne by SAM. In addition, clients invested in separate accounts are responsible for paying their own legal, audit and accounting fees as well as annual audit fees and tax return expenses (if any). Clients invested in separate accounts pay any fees payable to their separately appointed custodians, trustees, fund administrators, managers, managing members, auditors, tax advisors and other similar service providers.

At present, SAM would not ordinarily anticipate opening any new separate accounts, with the exception of temporary accounts used to facilitate investments into or withdrawals from its Funds.

Fee Rebate Policy

Fees are not generally negotiable. However, SAM may rebate fees paid by Unitholders in its Funds or charge lesser fees to separate account clients based upon their relationship with SAM, the assets invested, the timing of the investment, timing of the establishment of a separate account and other factors deemed relevant by SAM.

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

SAM receives a performance fee for managing a separate account; however the method of calculation of performance fees is arranged on a client by client basis. SAM recognizes that potential conflicts of interest are presented by managing accounts with performance-based fees alongside accounts with fees applied on an ad valorem basis. Theoretically, an investment manager has an incentive to favour an account or accounts that pay performance fees over those that do not.

SAM does not believe its performance fee arrangement disadvantages any of its investment advisory Clients, and takes all reasonable steps to ensure the fair and equitable allocation of investment opportunities amongst its Clients without regard to fee arrangements. SAM is guided by its Order Allocation Policy (please refer to Item 12 below) in ensuring that all investors are treated fairly and equally, and that no Client's interests are favoured as a result of the type of fee that Client pays.

Item 7. Types of Clients

Each Fund, and not the underlying Unitholders in each Fund, is considered a Client of SAM pursuant to Rule 203(b)(3)-1 of the Investment Advisers Act of 1940, as amended. SAM makes investments on

behalf of the Funds for the benefit of the underlying Unitholders in each respective Fund. Units in the Funds are sold only to Unitholders that qualify as “**accredited investors**” and “**qualified purchasers**” under applicable securities laws. An investment in units of a Fund involves the risk of loss. SAM has generally offered separate account services to institutional clients, such as pension plans, foundations and endowments.

SAM, in its capacity as investment manager, is responsible for reviewing and managing the holdings of each Fund based on the results of its research activities and for making appropriate recommendations to satisfy the respective investment goals of the Funds. Additional information is available in the respective offering memorandum of each Fund.

Conditions for Managing Accounts

Unitholders investing in SAM's US Funds are generally required to invest a minimum of \$5 million at the inception of their relationship with SAM. The minimum initial investment for SAM's Irish Fund is \$2 million. SAM may, in its sole discretion, accept or reject, in whole or in part, any initial or additional investment or impose conditions or restrictions on such investment, such as increasing or decreasing the amount of the minimum investment or requiring a Unitholder to establish a temporary account with the custodian of the Funds and to wire subscription funds to that account prior to an applicable dealing day. Unitholders may redeem all or part of their units in a Fund on any dealing day by providing SAM with written notice at least six (6) business days prior to the dealing day upon which the redemption is to be effective. Certain documentation must also be returned at least four (4) business days prior to such dealing day.

Sideletter Agreements

SAM generally will consider entering into a side-letter agreement only when rules governing the investment in a Fund by a specific Unitholder (such as state law or the governing documents related to such Unitholder) require a specific variation, provided that such change is not expected to materially impact the other Unitholders in the Fund, SAM or other service providers to the Fund. It is SAM's policy not to agree to any sideletter or other similar agreements that grant any Unitholder or group of Unitholders preferential rights with respect to the payment or timing of redemptions, indemnification from SAM, the law governing SAM's and each Unitholder's responsibilities under the governing documents for the Funds, or access to data on a Fund's holdings or trading activity. SAM will provide a summary of all sideletter agreements currently in effect upon the written request of a current or prospective investor.

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

Investment Strategy and Analysis

SAM provides discretionary investment management services to its Clients according to a clear investment strategy. The investment objective is to achieve long-term growth primarily by investing in a diversified portfolio of equity securities of companies located in any country other than the United States or Canada. To achieve its objectives, SAM generally seeks to invest in a portfolio of securities that, in its opinion, possess fundamental investment value.

SAM employs a 100% bottom-up, value-oriented approach as the basis of its investment philosophy and decision-making process. SAM's investment process is comprised of three steps culminating in the construction of the model portfolio:

- I. Screening of appropriate databases to identify a shortlist of potentially attractive stock ideas.
- II. Fundamental and business analysis of these companies to ascertain whether they meet the required quality tests.
- III. Valuation of the companies' future dividend streams in relation to the current market prices.

Types of Investments

SAM invests primarily in established markets; however, SAM may also invest in emerging markets. Subject to any specific investment guidelines, SAM utilizes a wide range of equity instruments in attempting to achieve its investment objectives, including both common and preferred stocks, special classes of shares available only to foreign persons in markets which restrict the ownership of certain classes of equity to nationals or residents of the country, convertible preferred stocks, convertible investment grade instruments, depository receipts, and to a limited extent, options and warrants on equity securities. SAM also may seek to hedge foreign currency risk by investing in physical currencies and spot and forward currency contracts.

Foreign securities are purchased on behalf of Clients. Investments in foreign securities may give rise to unwanted foreign currency exposure; SAM will analyze such exposures, and may, in its discretion, enter into hedging transactions in order to achieve a better balance of currency exposures. Such a transaction will normally be in the form of forward currency contracts. Restrictions (if any) on the use of forward contracts are disclosed in further detail in separate account and Fund investment guidelines (where applicable).

Subject to the investment guidelines outlined in each Fund's confidential private offering memorandum or in a separate account contract, SAM may invest in (i) non-exchange traded securities, including private placements and securities subject to transfer restrictions under Rule 144A or Regulation S of the Securities Act of 1933, as amended or otherwise commit to acquire securities on a forward commitment basis, and (ii) unregistered and bearer securities. SAM may not invest in futures or options on futures on behalf of its Clients. SAM may, however, invest in, hold, purchase, or otherwise acquire on behalf of its Clients, rights, stock options, stock coupons, warrants and other similar investments issued, sold, or distributed by a portfolio holding as part of a corporate action or other similar transaction.

SAM may purchase the securities of issuers during an initial public or secondary offering of securities. Companies involved in initial public offerings of securities typically have short operating and trading histories and generally are less established. The prices of securities issued as part of initial public offerings traditionally have been quite volatile. Subject to Client investment guidelines, SAM also may be required to agree to certain transferability restrictions as a precondition for participating in these types of security offerings.

There is no guarantee that SAM's investment approach, techniques or strategies will be successful or profitable. Any investment in securities involves the risk of loss that investors should be prepared to bear.

Strategy Risks

There are a number of material risks associated with SAM's investment strategy. These include, but are not limited to, the following matters. Further information on investment risks related to the Funds are disclosed in the confidential private offering memorandum of each Fund.

- *Global Market Exposure.* SAM invests on an international basis in both developed and emerging markets. Clients are therefore subject to: (i) currency exchange-rate risk; (ii) the possible imposition by foreign governments of withholding, income, capital gains or excise taxes; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and little or potentially biased government supervision and regulation; (iv) financial, economic and political risks, including expropriation, currency exchange control and potential restrictions on foreign investment and repatriation of capital; and (v) global market turmoil.

- Emerging Market Securities.* SAM purchases the securities of issuers located in emerging markets. Holders of emerging market securities are subject to additional risks, including potential periods of illiquidity, increased price volatility, the volatility of emerging market exchanges due to smaller market capitalization, evolving clearance and settlement procedures, potential restrictions on foreign investment, security transfer and the repatriation of investment income and capital. The currencies in which emerging market securities are issued may experience significant declines against the U.S. dollar either as a result of market pressures or government devaluation. Trading in emerging market currencies may be subject to governmental or significant administrative restrictions or only tradable with certain approved counterparties. Approved counterparties are typically subcustodians or subagents of the Client's custodian (which in the case of the Funds, is The Northern Trust Company). These factors may result in higher spreads being paid when the currencies associated with emerging market securities are traded. Inflation in emerging markets can be in excess of inflation in more established countries, increasing negative pressures on emerging market economies and markets.
- Price Fluctuations.* Prices of equity securities and other instruments are highly volatile. Prices are affected by a wide variety of complex and difficult-to-predict factors, including, but not limited to, supply of money, inflation, weather and climatic conditions, changing supply and demand relationships, governmental activities and regulations, political and economic events and prevailing psychological characteristics of the marketplace. These same factors also can affect the securities markets adversely.
- Illiquidity.* SAM may purchase investment instruments that later become illiquid or otherwise restricted. These positions may only be able to be liquidated at disadvantageous prices. The decision to hold or liquidate such securities is at SAM's sole discretion. Although many of the securities that SAM may acquire may be traded on public exchanges, each exchange typically has the right to suspend or limit trading in the securities which it lists. Suspensions could render it difficult or impossible for SAM to liquidate any or all of its positions and would thereby expose investors to losses.
- Transactions on Non-U.S. Exchanges.* SAM engages in trading on markets outside the U.S. Transactions on non-U.S. exchanges are not regulated by U.S. governmental agencies, such as the SEC. Clients will be subject to the risk of fluctuation in the exchange rate between local currency and U.S. dollars. Any profits that might be realized in any trading could be eliminated by adverse changes in exchange rates and losses could result. Some non-U.S. exchanges, in contrast to exchanges in the U.S., may be "**principals markets**" similar to the forward markets, in which

responsibility for performance is only that of the principal with whom a trader has entered into a transaction, and not of an exchange or clearing corporation. In some cases, a broker may in effect take the opposite side of trades. Because some non-U.S. exchanges lack a clearinghouse system such as that utilized by exchanges in the U.S., market disruptions may be more likely to occur on non-U.S. exchanges and, in extreme circumstances such as the failure of a broker or other counterparty, or the settlement of security trades may be delayed or cancelled. To minimize the risk of broker or counterparty default and subsequent loss, SAM will normally arrange for security purchases and sales to be settled on a “**delivery versus payment**” basis. SAM does not utilize the services of any prime brokers.

- *Investment Approach.* There is no guarantee that the investment approach, techniques, or strategies utilized by SAM on behalf of each Client will be successful or profitable. All investments of each Client risk the loss of capital. Furthermore, there can be no assurance that the specific trading strategies utilized for each Client will produce profitable results. Any factor that would make it difficult to execute trades, such as reduced liquidity or extreme market developments, also could be detrimental to profits. Unlike certain other types of funds, it is the intention that each Client will have only one investment manager.
- *Cash Balances.* The U.S. dollar cash balances for the Funds are invested in money market funds sponsored by Northern Trust. SAM may direct Northern Trust to hold U.S. dollar cash balances in other money market funds, deposit accounts or other vehicles in its sole discretion. Investors could incur losses in the event that the net asset value of the money market funds falls below U.S.\$1.00 or if redemptions from the money market funds, deposit accounts or other vehicles were restricted. Non-U.S. dollar cash balances are held in deposit accounts at various subagent banks. These deposit accounts are subject to counterparty and credit risk (for example, if either the custodian or the subagent bank were to declare bankruptcy or otherwise default on its financial obligations).
- *Credit Risk.* Securities trading in non-U.S. equities are subject to the risk that the brokers and counterparties with which, and the exchanges on which, the trades are executed or positions are carried may default. The default by an exchange, clearinghouse or counterparty could result in material losses. Certain markets require all securities to be held in a central securities depository and, in certain cases, the depository may be owned by a foreign government or government body and not be supported by a national network of well capitalized financial institutions. The default of such government or depository, or the failure of such depository to maintain suitable and sufficient procedures to mitigate against theft or loss, could result in material losses. To minimize

transaction and foreign exchange dealing costs, SAM may request that a broker or counterparty “warehouse” smaller security trades. Where security positions are “warehoused”, the executed trade remains the property of the executing broker or counterparty until such time as the trade is allocated to a specific Client account. If the broker or counterparty defaults or declares bankruptcy, the Client could suffer losses on warehoused security positions.

- *Tax Risks.* SAM’s investment decisions are based primarily upon economic considerations and not tax considerations, and could result, from time to time, in adverse tax consequences. For example, certain markets may assess capital gains taxes in the event a Client holds more than a given percentage of a company’s shares in issue and sells these shares at a gain in a given period. In other markets, local tax authorities may assess a capital gains tax on gains that are realized from selling shares issued by so-called “land rich” companies. “Land rich” companies are generally viewed as companies the majority of whose balance sheet consists of land, buildings, leasehold improvements, mining, mineral and oil concessions and leases or other similar issues. In other cases, capital gains taxes may be assessed on gains if the shares were not held for more than a given period of time (typically 12 months). In most cases, the amount of capital gains taxes can be reduced under availing double taxation treaties between the U.S. and the foreign jurisdiction to the extent SAM can prove that the Client or each Unitholder in the Fund is resident in the U.S. for income tax purposes. This is normally done by providing the foreign tax authority with an Internal Revenue Service (“IRS”) Form 6166 (Certificate of Residency) and/or a copy of an individual IRS Form 6166 or IRS Determination Letter.

Item 9. Disciplinary Information

There have been (and are) no material criminal, civil, regulatory, business, or administrative proceedings against SAM or any of its employees, partners, principals, or affiliated entities. SAM and its employees, partners, principals, or affiliated entities are not currently in litigation or arbitration and have not received any subpoenas. Neither SAM nor any of its employees, partners, principals or affiliated entities have ever been subject to any criminal proceeding.

Item 10. Other Financial Industry Activities and Affiliations

SAM is not affiliated with any banks, broker dealers or custodians. SAM is an independent company that is controlled by its current and former employees.

Subsidiary – General Partner

SAM, through its wholly owned U.S. subsidiary ("**SAM, Inc.**"), serves as tax matters partner for its two U.S. commingled Funds that are organized as Delaware statutory trusts, but are treated as partnerships for U.S. income tax purposes. These Funds are the Sanderson International Value Fund and the Sanderson International Value Tobacco Free Fund. SAM, Inc. also serves as the agent for service of process for SAM with respect to certain U.S. regulatory and tax filings, including the SEC, the U.S. Department of Labor and the IRS.

Associated Entities

Silchester, formerly Silchester International Investors Limited, contributed approximately \$1,000,000 (GBP 499,000) of capital for a 49.9% share in the equity of SAM and 19.9% of the voting rights. Silchester owns 100% of the Class A Shares of SAM. Silchester is eligible to receive dividends from SAM as a result of its shareholding. Silchester does not control the business operations of SAM or their investment strategies. Silchester is also a partner in Silchester International Investors LLP a United Kingdom based investment manager registered with the SEC (SEC File Number 801-49530). Tim Linehan, Silchester International Investors LLP's Chief Compliance Officer, sits on SAM's Board of Directors in the capacity of Non-Executive Director, and has done so since 2005. As a Non-Executive Director, Mr. Linehan is not involved in the day to day management of SAM's operations and business.

Silchester International Investors LLP employees and partners, Silchester and its shareholders and former employees and their related parties may, from time to time, invest assets in SAM's Funds. Silchester also maintains direct and indirect investments in a number of other regulated investment management firms. SAM does not have any direct business relationships with these firms and, as a result, has not described them in their regulatory filings. Further information on these other investment management firms is disclosed in Silchester International Investors LLP's ADV Part 1 and ADV Part 2. Silchester International Investors LLP's CRD Number is 110987. Alternatively, information is available from Silchester International Investors LLP's Chief Compliance Officer (tlinehan@silchester.com).

Privacy Considerations

SAM is committed to maintaining the confidentiality, integrity and security of personal information provided by current and potential investors. Personal information may be obtained in a number of

ways, such as during the application process or ongoing communications between SAM and investors. All information obtained about investors is treated as confidential unless the investor has otherwise made this information public, such as its relationship with SAM or investment in a Fund. SAM generally exercises the same care dealing with personal information obtained from its investors that SAM uses in dealing with its own internal confidential information.

SAM protects personal information provided by investors in a number of ways. All of SAM's employees are subject to strict employment policies regarding investor confidentiality. SAM attempts to ensure that its systems are secure and aims to apply password protections, firewalls, encryption technologies, and other mechanisms to guard confidential investor information that are suitable and sufficient based on the size and nature of its business. Select physical and procedural safeguards have been established to guard investor information. Former employees are also prohibited from disclosing non-public personal information.

SAM may use data obtained from investors for the purpose of communicating information about its investment products. SAM may also provide information concerning investors to firms that assist SAM in servicing its investors. This helps to ensure that all investors are given an appropriate level of service. Information concerning investors may also be passed to regulatory authorities or law enforcement officials who have jurisdiction over SAM, as otherwise acquired by applicable law and regulations, or if reasonably required to prevent fraud and unauthorised transaction. Investors may request a copy of the current privacy policy at any time by contacting SAM using the details shown at the beginning of this brochure. On at least an annual basis, SAM provides all investors with a copy of its current Privacy Policy.

Item 11. Code of Ethics; Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

SAM has adopted a Code of Ethics (“**Code**”) that sets forth its fiduciary duties to its Clients and investors, and establishes standards of conduct for its supervised employees. Among the topics covered in the Code are: prohibitions against insider trading, resolving conflicts of interest, personal securities transactions by SAM’s employees and confidentiality of investor information. SAM will provide a copy of its Code to any investor or prospective investor upon request and without charge. To obtain a copy of SAM’s Code, please contact SAM’s Compliance Manager (James Longbottom - Email: [jlongbottom@sandersonam.com](mailto: jlongbottom@sandersonam.com)). SAM’s Form ADV Part 1 can be found on the SEC’s website.

Participation or Interest in Client Transactions

SAM established and paid for the organizational costs for each of its Funds, and pays for the ongoing routine costs of operating these Funds, including all custody, fund administration, legal, tax accounting, annual audit, and reporting fees. SAM derives fees from each Unitholder invested in the Funds based upon the market value of each Unitholder's units in the Funds. An employee of SAM's U.S. subsidiary (SAM, Inc.) has invested in one of SAM's U.S.-based Funds. As residents of the United Kingdom, employees of SAM have invested in SAM's Irish Fund, which is offered to non U.S. investors. SAM, Inc. serves as the tax matters partner for U.S. income tax purposes of SAM's U.S.-based Funds, where appropriate.

Personal Account Trading Policies

Employees of SAM and its subsidiaries may trade securities for their own accounts in accordance with SAM's established procedures. These procedures provide, in part, that employees, directors and officers of SAM or its subsidiaries are prohibited from acquiring (i) securities that SAM is currently purchasing, or selling on behalf of its Clients, or (ii) securities that represent prospective investments. SAM's procedures prohibit SAM from favouring Funds in which it, its subsidiaries, or its/their employees, directors, or officers, have a direct or indirect financial interest. Certain agents and other independent contractors (including individuals that may provide research to SAM on a contractual basis) may be subject to differing restricted trading procedures. Employees of SAM are generally prohibited from acting as directors of any publicly traded companies that may form part of its Client's portfolios.

Item 12. Brokerage Practices

Brokerage Selection and Commission Issues

SAM generally assumes responsibility for selecting brokers and dealers for the execution of equity and foreign exchange transactions for its Clients. SAM is not affiliated with any broker and does not execute equity or foreign exchange transactions as a principal. Accordingly, SAM selects unaffiliated third-party brokers to execute all Client transactions although, as permitted by applicable law and described in more detail below, SAM may from time to time direct a Client to purchase or sell equity securities or currencies directly from or to another Client as part of transactions not requiring the use of a broker.

In selecting brokers, SAM seeks the best combination of price and quality of execution services, after considering factors that may impact the transaction. These factors include, but are not limited to, the particular expertise of the broker with respect to the size or type of transaction, the commission rates charged, the nature and character of the relevant markets on which the transactions will be executed, and the broker's execution experience, integrity, credit-worthiness, financial responsibility and operational efficiency. SAM primarily relies upon its own proprietary research in rendering investment advice. Nevertheless, SAM may consider the availability and quality of research products and services provided by a broker in selecting which brokers to use in effecting Client transactions. Research products and services include information and analysis of portfolio companies, their competitors or suppliers, industry and economic appraisals, market intelligence data, and other services that may assist SAM in its investment decision-making.

SAM executes Client transactions through various types of brokerage arrangements:

- "Traditional" Brokers. Traditional brokers provide SAM and the Clients with a **"bundled"** service which typically includes both the cost of trade execution and research-related products and services in quoted commission rates. While traditional brokers will execute transactions on behalf of Clients on a so-called **"agency basis"** they also will execute transactions as a principal, thereby risking their proprietary capital to facilitate Client transactions. Traditional brokers may also be used to execute transactions when, for example, a broker possesses special or unique knowledge of a company, industry or sector, where they act as **"house broker"** (i.e. to facilitate share buybacks), or can trade larger blocks of securities without disrupting market prices.
- "Execution Only" and "Agency Only" Brokers. Although permitted to do so, execution and agency only brokers generally choose not to provide research services to SAM, or risk their proprietary capital when acting as counterparty, and therefore generally provide trade execution services at reduced commission rates than traditional brokers charge. These brokers ordinarily rely on natural market order flow to facilitate trades. On occasion, when there is a less liquid natural market, this may make it more difficult to facilitate Client transactions. Given these shortcomings, execution only and agency only relationships are used primarily to facilitate Client transactions involving certain larger capitalization and highly liquid securities. Execution only brokers may utilise electronic crossing networks for SAM's transactions if and when appropriate.
- Electronic Crossing Networks ("ECNs") and Alternative Trading Platforms. ECNs historically were established to provide institutional investors with the opportunity to cross

larger blocks of securities during the trading day at mid-market or limit prices in a discrete and confidential manner without undue impact on market prices and at reduced commission rates. ECNs are not active in all markets and there is no guarantee that adequate liquidity will be available to enable SAM to execute Client transactions through these types of arrangements.

- Internal Cross Transactions. Subject to ERISA or other applicable laws, to reduce transaction costs, rebalance Fund investment portfolios or for other reasons, SAM may from time to time cause one Client account to enter into cross transactions directly with other Client accounts for which SAM also acts as an adviser. This normally occurs where inflows into one Client coincide with outflows from another Client for which SAM also acts as adviser. In the event that SAM causes one Client to purchase securities from or sell securities to another Client, SAM uses its best efforts to mitigate potential conflicts of interest by causing the transaction to occur at the then prevailing market price of the applicable securities and by considering the interests of all Clients that are parties to the transaction. SAM may use unaffiliated third party brokers to facilitate these cross transactions and/or execute such cross transaction "**off-exchange**" without using a broker. No commissions are paid when the cross trades are executed "off-exchange". Investors may request details of SAM's recent crossing activity by contacting SAM using the details shown at the beginning of this brochure.
- Commission Recapture and Directed Brokerage. SAM does not participate in commission recapture or directed brokerage arrangements and investors are not permitted to direct SAM to use or allocate commissions from any broker.

Commission costs may vary for reasons such as whether execution and research services are bundled or separately charged. Commission costs also are reflective of different commission schedules in effect in different international markets. After considering all relevant factors, SAM may determine to pay broker commissions or mark-ups in excess of that which another broker might have charged for effecting the same transaction in recognition of either the execution or research services provided by the broker. Commission rates generally are subject to annual reappraisal, ordinarily during formal reviews of the third party broker relationship, and are subject to careful monitoring and renegotiation to ensure that they are competitive.

Soft Dollar Considerations

It is SAM's policy, consistent with the obligation to seek the most favourable combination of price and quality of execution, to effect transactions from time to time with brokers who provide research

related products or services or pay for research related products and services provided by third parties directly or indirectly to SAM.

The services and products received by SAM from brokers are limited to research and research related services that fall within the so-called 'safe harbor' provisions of Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended and the so-called "permitted research" exemptions established by the FSA governing the receipt of research and execution services from the brokerage counterparties. This includes, among other items, research of actual or potential portfolio companies, their competitors or suppliers as well as market intelligence data. These research services provide SAM's investment and portfolio managers and analysts with assistance in the research process. SAM believes that the amount of commissions paid to brokers providing it with research and research related products and services is reasonable in relation to the value of the brokerage and research services provided by the broker/dealer, viewed in terms of a particular transaction or SAM's overall responsibilities to its Clients.

The FSA requires all investment managers to provide clients with detailed information on the sources and uses of client commissions. This summary is provided to investors on a semi annual basis and highlights the proportion of client commissions used for execution and research services across all SAM's Client portfolios.

Allocation of Investment Opportunities

SAM endeavours to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among its Client accounts.

When SAM determines that it would be appropriate and feasible for more than one Client to participate in an investment opportunity, SAM may place combined orders for all such Clients simultaneously and if the order is not filled at the same price, SAM will average the prices paid over a particular day or such longer period consistent with the accumulation or disposition of a particular trade. Similarly, if an order is placed on behalf of more than one Client and the order cannot be fully executed under the prevailing market conditions, SAM may allocate the trade execution among different Clients on a basis that SAM deems equitable. This is normally achieved by pro-rating actual trade executions among Clients in accordance with the total number of shares outstanding on each Client's order and rounding such executions to reflect minimum trading sizes, minimum allocations necessary to avoid undue costs being realised by Clients (such as transaction and foreign exchange costs resulting from smaller allocations) and efficiencies inherent in trade reporting. Situations may occur where a Client could be disadvantaged because they participated in the aggregate order.

SAM anticipates that the substantial majority of its trade executions will be allocated between Clients in a pro-rata manner. In the circumstances where SAM determines that this pro-rata allocation methodology may not be in a Client's best interest, SAM may, in its reasonable discretion, make an adjustment to the pro-rata allocation. This may occur when a Client has insufficient cash on hand to settle an allocated order or satisfy certain future commitments. This may also occur if a Client will be overdrawn as a result of accepting a commitment to purchase the allocated securities or if the Client will suffer unnecessary costs or charges related to trading or settlement. In these situations, SAM will use its judgment to determine whether a Client should receive no allocation or a smaller allocation of shares resulting from a given execution. In other situations, a larger allocation of shares may be made to a Client if, for example, an additional allocation is required to clear a Client's negative cash balances or to raise funds to satisfy future Client commitments.

Investors should be aware that SAM is not ordinarily subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to any one Client or group of Clients or subject to any restrictions on the nature or timing of making investments for a Client. SAM is not required to accord exclusivity or priority to any one Client or group of Clients in the event of 'limited availability' of investment opportunities. Subject to certain trading restrictions outlined in SAM's Compliance Manual and Code of Ethics, SAM's directors, officers and employees may buy and sell securities (or other derivative instruments) for their own account and/or the accounts of others. Such trading may be similar to, or different from, the investment strategies pursued on behalf of SAM's Clients and securities included in Client portfolios.

Item 13. Review of Accounts

Reviews and Reviewers

All Client investments are kept under daily review both for price and changes in fundamentals affecting the security. All portfolios are reviewed weekly. Each member of SAM's investment research committee is principally responsible for monitoring Client investments, and for ensuring that accounts are maintained in line with SAM's policies. Each member of SAM's investment research team is equally responsible for all Client accounts.

Frequency of Regular Reports to Clients

Separate account clients receive a monthly valuation, a schedule of transactions and a performance statement for their portfolios. Unitholders receive a monthly participant report showing selected

information about their investment in the commingled fund directly from each Fund's fund administrator. Such reports are ordinarily distributed on or before the fifth business day of each calendar month. All separate account clients receive a quarterly written review that describes the economic and financial background, the strategy adopted, the results achieved, and SAM's outlook for the future. Unitholders receive a similar written review on a quarterly basis.

Item 14. Client and Unitholder Referrals and Other Compensation

This item is not applicable as SAM does not receive any compensation or other economic benefit from any non-Clients for providing investment management services nor compensates any persons for Client and/or Unitholder referrals.

Item 15. Custody Considerations

SAM does not act as custodian for or hold any Client moneys or assets. The Northern Trust Company (“**Northern Trust**”) acts as the custodian and fund administrator for the Funds. SAM pays Northern Trust’s fees related to the services Northern Trust performs on behalf of the Funds and the Unitholders. Northern Trust acts as the principal counterparty to the Fund’s spot and forward currency contracts and provides certain trade services in accordance with various agreements with SAM. SAM does not require Northern Trust to provide collateral to support unrealized gains related to the Fund’s currency contracts.

In its capacity as fund administrator, Northern Trust is responsible for independently valuing the Funds’ assets. Equity securities are ordinarily valued using the closing price reported by their primary stock exchange and translated into USD using exchange rates provided by WM/Reuters. These are the same prices and exchange rates used by major market indices such as MSCI for valuing (among others) the MSCI EAFE Index. Forward currency contracts are valued using WM/Reuters exchange rates and adjusted to reflect the settlement period for any forward currency contracts. Dividend and withholding tax accruals are valued at fair market value in accordance with GAAP.

The Funds are ordinarily valued on a monthly basis, as of the last business day of each month. In exceptional circumstances, SAM may require Northern Trust to value the Funds more frequently. If SAM believes that Northern Trust has mis-valued a given security, Northern Trust requires SAM to follow an established ‘challenge procedure’. SAM provides a written letter of direction advising Northern Trust of the discrepancy and support for SAM’s market prices/exchange rates. Northern Trust will then consider the challenge. If valid, Northern Trust will change the market price/exchange

rate used in the valuation. If not, Northern Trust's valuation will stand. Because of the nature of the Funds' investments (publicly traded equities), pricing challenges are infrequent.

Once the Fund valuations are approved, Northern Trust are responsible for preparing the individual Unitholder reports. As with the valuations of the Funds, SAM reviews the reports prior to their transmittal to Unitholders. After approval, the reports are sent directly by Northern Trust to the Unitholder. SAM does not have the opportunity to alter or adjust Unitholders' valuations by intervening in the Unitholder report distribution process. Clients should compare the calculations provided in reports from SAM against the calculations provided in Northern Trust's reports.

Item 16. Investment Discretion

SAM accepts discretionary authority to manage securities accounts on behalf of its Clients. Other than as specified by a Fund's investment guidelines or pursuant to the terms of a separate account investment management agreement, SAM has sole authority to determine, without obtaining specific consent, the amount of and specific securities to be bought and sold for each Client.

Error Correction Considerations

On rare occasions, an error may be made with respect to a Client transaction. For example, a security or other financial instrument (such as a spot or forward currency contract) may be erroneously purchased or sold, the Client's investment guidelines may be inadvertently breached, or a security may be tendered in error as part of a corporate action. When it bears legal responsibility for an error, SAM generally seeks to place the Client in a substantially similar position as the Client would have been in had the error not occurred.

In certain circumstances, SAM may be required to obtain the consent of its insurers, regulators (which may include, but are not limited to the SEC, the FSA or the DOL), an independent fiduciary on behalf of its Clients, its Clients, and/or its insurers before resolving an error. Obtaining these consents or correcting the error may result in, among other items, delays in placing the Client in a substantially similar position as it would have been in had the error not occurred, the payment of compensatory amounts (these payments may, in certain circumstances be paid over a period of years), and/or the suspension of the calculation of the Client's net asset value.

Item 17. Voting Client Securities

SAM considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its Clients to recognize the fiduciary responsibility it assumes in acting as investment manager. SAM also recognizes the need to exercise its proxy voting obligations with a view to enhancing the Client's long-term investment values. SAM believes that both are generally compatible with good corporate governance as this generally provides the best operating environment for each underlying portfolio company to cope with competitive commercial pressures. To help achieve its objectives, SAM's policy, subject to the considerations described below, is to use its best efforts to vote proxies arising on all shares held on behalf of its Clients.

Standard issues typically arise at Annual General Meetings ("AGMs") or Ordinary General Meetings ("OGMs"). Standard issues may include items of a routine nature such as the presentation of financial statements to shareholders, approval of routine executive compensation or incentive plans, approval of financial statements by shareholders, election of directors and approval of directors' fees, election of auditors and approval of audit fees and declaration of dividends.

Material issues may arise at Extraordinary General Meetings ("EGMs"), Special General Meetings ("SGMs"), OGMs or AGMs. Material issues may include items that relate to corporate governance matters; changes in a company's country of incorporation; mergers and other corporate restructurings; anti-takeover provisions such as staggered boards, poison pills, or supermajority provisions; changes to capital structures including increases and decreases of capital and preferred stock issuance; material stock options, management compensation or incentive plan issues; and social and corporate responsibility considerations. SAM also considers standard issues to be material issues when it has knowledge that a potential conflict of interest with management is present. These situations can arise where SAM manages a portfolio company's U.S. retirement plan assets, a portfolio company or one of its affiliates is also a brokerage counterparty to a Client's security or foreign currency transaction or where the person responsible for overseeing investments at a Unitholder that is invested in one of SAM's Funds is also a director or officer of a portfolio company that would materially benefit from any executive compensation or incentive scheme subject to shareholder vote. Please note, however, that SAM may not be aware of the roles performed for portfolio companies by underlying investors in the Funds. Clients are requested to notify SAM of any known affiliations with publicly traded companies that could fall within SAM's investment universe.

The Client's custodian ("Custodian") has outsourced certain of its proxy processing responsibilities to either Institutional Shareholder Services ("ISS") or Broadridge, leading providers of proxy voting and corporate governance services. ISS / Broadridge provide SAM with meeting notification and ballot delivery services, agenda summaries, detailed agenda content including original source documents, translation services, power of attorney maintenance, recordkeeping and custom reports, and vote

instruction processing services. Meeting notifications are provided according to an established service level agreement in place between Northern Trust and ISS / Broadridge, and one in place between Northern Trust and SAM.

Following receipt of proxy voting materials from ISS / Broadridge SAM's staff gives a "**Proxy Voting Summary Form**" of the issues to a member of SAM's portfolio managers for review. The form includes the details of the number of shares held by a Client and a deadline for the response. If only standard issues are included on the proxy, the portfolio manager will decide on how to vote the proxy and sign the proxy voting summary form. If material issues are included, enhanced procedures apply. The portfolio manager will discuss the issues with a second portfolio manager, assess the potential impact that the issues may have on the portfolio company, and decide on how to vote the proxy in question. Both of the portfolio managers will then sign the proxy voting summary form. Once approved, staff for SAM will process the proxy vote electronically using ISS's / Broadridge's proprietary system. A second staff member for SAM will verify the input.

In certain circumstances, SAM may be unable to vote a specific proxy including (but not limited to) when a Custodian or ISS / Broadridge does not provide a voting service in a given market, because the custodian or its agent, in error, does not process a proxy or provide sufficient notice of a vote, or because an error is committed by any party involved in the proxy voting or registration process. SAM may also refrain from voting if it is considering liquidating a position (as shares may be blocked when proxies are submitted), where the costs of voting a specific proxy outweigh the economic benefit that SAM believes would be derived by the Client, where a specific class of shares does not carry voting rights with respect to a given issue subject to shareholder vote, or where re-registration of the shares into the Client's (rather than the Custodian nominee's) name may (or may reasonably be expected to) result in a violation of local privacy laws or adversely impact the Client's economic interests.

Clients are advised that when voting proxies in certain international markets, SAM may be constrained by certain country or portfolio company specific issues. For example, some companies in the portfolio impose voting caps on the maximum number of proxy votes that any single outside shareholder may control. Others require all board issues to be resolved by a show of hands, rather than a poll. As the majority of SAM's Client shares may be held by one nominee, these restrictions have the effect of substantially limiting the impact of any proxies cast. Furthermore, some companies in the portfolio may restrict investment managers (such as SAM) from voting proxies where disclosures of Client holdings or securities under SAM's control have not been made on a timely basis or in a format required under their articles of incorporation.

Investors may receive a quarterly summary of proxies voted or not voted and issues raised at meetings held by portfolio companies by contacting SAM using the details shown at the beginning of this brochure and asking to be included on the quarterly proxy voting distribution list. Investors also may obtain a copy of the proxy voting status by contacting SAM using the details shown at the beginning of the brochure.

Item 18. Financial information

Not applicable. SAM does not require pre-payment of fees, does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients or Unitholders and has never been the subject of a bankruptcy petition.

Item 19. Information about SAM's Key Investment Personnel

A summary of the education and last ten years of business background of SAM's key investment personnel is set out below. Additional information is available from SAM's Chief Compliance Officer, who can be contacted using the details at the beginning of this brochure.

Timothy Sanderson

Date of Birth:	1958
Education and Degree:	Oxford University Masters – Modern History
Business Background:	Sanderson Asset Management Limited; 2001 to present Claremont Europe Fund; 2000 to 2008

Catherine de Veaux Rainey

Date of Birth:	1966
Education and Degree:	Dartmouth College Bachelor of Arts in English

University of Cambridge
MBA

Business Background: Sanderson Asset Management Limited; 2001 to present

Masaki Sukanuma

Date of Birth: 1960

Education and Degree: University of Tokyo
Economics

Business Background: Sanderson Asset Management Limited; 2001 to present

Rachel Offord

Date of Birth: 1974

Education and Degree: King's College, London
History

ESCP-EAP, Paris
Masters in Finance & Management

Business Background: Sanderson Asset Management Limited; 2004 to present

Merrill Lynch International (London & Paris); 1999-2003

Christian Paaskesen

Date of Birth: 1981

Education and Degree: University College , London
Economics

Business Background: Sanderson Asset Management Limited; 2006 to present

Tradeweb Europe Limited; 2005

Disciplinary Information

No member of SAM's investment team has ever been the subject of any legal or disciplinary events.

Other Business Activities

No member of SAM's investment team is engaged in any investment-related business or occupation outside their employment with SAM.

Additional Compensation

No member of SAM's investment team receives any economic benefit from anyone who is not a client for providing investment advisory services.

Supervision

Tim Sanderson, as Chairman and Chief Investment Officer of SAM, is subject to supervision by SAM's Board of Directors. The other members of SAM's investment team are supervised by Tim Sanderson. Tim Sanderson can be contacted on +44 (0)20 7468 5970.