

**PART 2A OF FORM ADV – FIRM BROCHURE**

**PRINCE STREET CAPITAL MANAGEMENT LLC**

**888 Seventh Avenue, 26<sup>th</sup> Floor  
New York, NY 10019  
212-931-5140**

**Peter McKown – Chief Compliance Officer**

**[www.princefund.com](http://www.princefund.com)  
[www.princestreet.com](http://www.princestreet.com)**

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**This brochure provides information about the qualifications and business practices of Prince Street Capital Management LLC (“Prince Street”). If you have any questions about the contents of this brochure, please contact us at 212-931-5140 and/or [peterm@princefund.com](mailto:peterm@princefund.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

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

**REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT PRINCE STREET OR ANY PRINCIPALS OR EMPLOYEES OF PRINCE STREET POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.**

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## **Item 4.**

### **Advisory Business**

Prince Street is a Delaware Limited Liability Company formed in May 2007. The founders and principal owners of Prince Street are David C. Halpert, Peter O. McKown, Stoddard (“Tad”) Sennott and Michelle Kelner.

Prince Street provides discretionary investment advisory services to five separate private investment funds that invest in Emerging and Frontier Markets; Prince Street International Ltd., Prince Street Opportunities Ltd., Prince Street Institutional Ltd., Vitruvius Emerging Markets SICAV, and Prince Emerging Markets Flexible EUR. Three of these funds are Prince Street branded funds, each structured as master-feeder structures, with the master funds and offshore feeders being Bermuda domiciled entities, while the onshore feeders are Delaware limited partnerships. In addition, Prince Street advises two Luxembourg domiciled funds, structured under the UCITS framework. A related person of Prince Street generally acts as general partner or managing member or investment adviser of each Prince Street fund, and Prince Street generally acts as investment manager of each Prince Street fund. Prince Street commenced operations with the Prince Street branded funds in May 2001 (Prince Street International Ltd.), November 2006 (Prince Street Opportunities Ltd.) and October 2011 (Prince Street Institutional Ltd.). Prince Street may in the future provide advisory services, either on a discretionary or non-discretionary basis, to other managed accounts on behalf of clients.

Prince Street tailors its advisory services to the specific investment objectives and restrictions of each Prince Street fund. Prince Street may agree in the investment management agreement with each client to investment restrictions or guidelines with respect to the types or amounts of securities or other financial instruments that may be purchased or sold for the client’s account. Prince Street may pursue different investment strategies for different clients.

Prince Street is generally granted broad investment authority with respect to the management of the accounts of its clients. Prince Street generally seeks to achieve the investment objectives of its funds primarily through investing in Emerging and Frontier Markets.

The Prince Street funds pursue three core strategies: in the case of Prince Street International Ltd., to achieve capital appreciation through superior investment returns on a long-term compound basis (5-10 years) while minimizing correlation with the U.S. market by using long and short investment strategies in emerging and frontier markets or to achieve absolute return by investing in emerging and frontier markets by focusing on long term investments chosen with regard to both growth prospects and valuation, with less concern for short term volatility in stock prices. The Prince Street Opportunities Ltd. fund will rarely hedge its investments and will often invest in less liquid, but primarily publicly traded securities. The Prince Street Institutional Ltd. fund seeks to achieve an

annualized compound return over a multi-year cycle by investing in emerging and frontier market economies, primarily focusing on shares of highly liquid, large capitalized emerging and frontier market issuers.

Investors and prospective investors in each Prince Street fund should refer to the confidential private placement memorandum, limited partnership agreement and other governing documents for each Prince Street fund (the “Governing Documents”) for additional information on the investment objectives and investment restrictions with respect to a particular Prince Street fund. There is no assurance that any of the Prince Street funds’ investment objectives will be achieved.

Prince Street may enter into “side letters” or similar agreements with certain investors in the Prince Street funds granting the investor certain specific rights, benefits, or privileges that are not generally made available to investors.

Prince Street does not participate in any wrap fee programs.

Prince Street manages all assets on a discretionary basis. As of December 31, 2011, Prince Street managed on a discretionary basis US \$695,376,318.

## **Item 5.**

### **Fees and Compensation**

#### *Compensation and Fee Schedules*

All investors should review the Governing Documents for each Prince Street fund in conjunction with this brochure for more complete information on the fees and compensation payable with respect to a particular Prince Street fund.

Each Prince Street fund has executed either an Investment Management Agreement or Investment Advisory Agreement that provides for Prince Street to receive both a management fee on the assets managed as well as an incentive allocation or fee based on the performance of the fund.

The basic fees charged to clients and investors in the Prince Street funds are currently a fixed annual management fee equal to 1.0-2.0% of net assets, payable monthly in arrears, and an annual performance fee or allocation up to a maximum of 20% of the amount by which the net value of each account as of the end of each calendar year exceeds the net market value of the account as of the beginning of the year or for certain share classes a maximum of 20% of the amount the net value of such shares exceeds a pre-determined benchmark hurdle as of the end of each calendar year. The performance fee or allocation is payable or allocated to Prince Street (or an affiliate of Prince Street) in arrears at the end of each fiscal year.

The management fee is usually deducted directly from the assets of each client account, as such fees become payable, which is generally monthly in arrears. The performance fee or allocation is payable annually in arrears, or upon termination of a client account or withdrawal of capital from any Prince Street fund. Upon termination of any client account, all management fees accrued as of the date of termination will be payable.

In certain circumstances, the advisory fees payable to Prince Street by individual clients or investors in any Prince Street fund may be negotiable. Investors and prospective investors in each Prince Street fund should refer to the Governing Documents of the applicable Prince Street fund for additional information on the advisory fees charged by Prince Street.

From time to time, a fund managed by Prince Street may purchase an interest in another fund managed by Prince Street, provided that the sale or purchase is consistent with Prince Street's fiduciary obligations to each Prince Street fund. While Prince Street endeavors at all times to act in the best interests of all the Prince Street funds, investors should be aware that Prince Street's receipt of compensation from each of the Prince Street funds and the contribution of additional capital by a Prince Street fund to an affiliated Prince Street fund creates a potential conflict of interest with respect to such transactions.

#### *Deduction of Fees*

Prince Street is authorized under the Governing Documents to charge and deduct advisory fees directly from the assets of each Prince Street fund, at the times and in the amounts described above.

#### *Other Fees and Expenses*

The clients of Prince Street are responsible for all costs and expenses incurred in connection with the investments in their accounts, including brokerage commissions; clearing fees; fees, interest and other costs in connection with margin accounts or other borrowings; borrowing charges on securities sold short; custodial fees; bank service fees; costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged by Prince Street in connection with specific investments; costs of research and data services; and any legal fees and costs arising in connection with any litigation or regulatory investigation instituted against Prince Street or any client. The Prince Street funds also pay all of their operating costs, including administrative, legal and compliance, accounting, auditing and insurance costs and expenses, as described in greater detail in the Governing Documents for each fund. The Prince Street funds also pay the funds' directors and corporate secretary fees.

See "Brokerage Practices" below for more information on the factors Prince Street considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

### *Transaction-Based Compensation*

Neither Prince Street nor its supervised persons will receive any compensation with respect to the purchase or sale of securities or other investment products by any Prince Street fund.

## **Item 6.**

### **Performance-Based Fees and Side-by-Side Management**

#### *Performance-Based Fees*

Prince Street, or an affiliate of Prince Street, ordinarily receives a performance-based fee or a special allocation of profits from each of its clients (including the Prince Street funds) as described above under “Fees and Compensation.” Different client accounts may be subject to different performance-based compensation arrangements. Please refer to the Governing Documents of each Prince Street fund for more complete information on the “performance-based fee” arrangements of each Prince Street fund.

The performance-based allocation arrangements discussed above comply with Rule 205-3 under the Investment Advisers Act of 1940 (the “Advisers Act”). Performance-based allocation arrangements received by related persons of Prince Street may create an incentive for Prince Street to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

Prince Street will, as a policy, allocate investment opportunities among its clients in a manner that it considers fair and equitable to all clients, considering all factors potentially applicable to each client. Among the factors that may be considered by Prince Street in allocating trades among client accounts are: investment policies, guidelines or restrictions applicable to each specific client; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under ERISA or other applicable laws or regulations; available credit lines; counterparty arrangements; account size; benchmark sector weightings; industry and security weightings; and hedging objectives and activity.

## **Item 7.**

### **Types of Clients**

#### *Types of Clients*

Prince Street provides advice to pooled investment vehicles, including the Prince Street funds. Investors in the Prince Street funds may include corporations, endowments, foundations, trusts, estates, individuals, pension or profit sharing plans and funds whose securities are not publicly offered.

Prince Street may also provide investment management and supervisory services to separate account clients.

#### *Minimum Investment Requirements*

Prince Street and its related persons require that each investor in each Prince Street fund be an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Generally, investors must invest a minimum of US \$1,000,000 in order to invest in each Prince Street fund. The general partner of each Prince Street fund may waive the minimum investment amount.

### **Item 8.**

#### **Methods of Analysis, Investment Strategies and Risk of Loss**

##### *Methods of Analysis*

Prince Street invests primarily in Emerging and Frontier Markets on behalf of its clients. To achieve its investment objective of capital appreciation on a long-term compound basis, Prince Street employs long and short investment strategies in this asset class. Prince Street also utilizes an investment strategy that focuses on long term investments chosen with regard both to growth prospects and valuation, with less concern for short term volatility in stock prices to achieve its absolute return investment objective.

Prince Street’s principal sources of information include quarterly and annual reports, prospectuses, personal interviews with directors and officers of portfolio companies, visits to portfolio companies, SEC and other public filings, financial newspapers and magazines, research materials prepared by others, corporate rating services, company press releases, general industry knowledge, contacts with other participants in the relevant industry and financial markets, and general sources of information about any broad macro-economic or political considerations in any country.

For Prince Street, country visits and meetings with company management are extremely important sources of information and analysis that provide the foundation and framework for our investment decision-making.

##### *Material Risks*

Although investments in Emerging and Frontier Markets may result in significant returns to the clients of Prince Street, they also involve a substantial degree of risk. Prince Street generally accepts only clients that are able to bear the financial risk of the investment

strategy for an indefinite period of time and are able to sustain the loss of all or a significant part of their investment.

Prospective clients and investors in the Prince Street funds should carefully review the risks described in the Governing Documents for the relevant Prince Street fund, and should evaluate the merits and risks of an investment in the context of their overall financial circumstances. The risk factors below are not intended to be exhaustive and should be considered carefully by prospective investors together with the full text of the applicable Governing Document or client agreement.

### ***Investment and Trading Risks in General***

All investments risk the loss of the amount invested. No guarantee or representation is made that any investment program will be successful, and investment results may vary substantially over time. The value of a client's portfolio and the income (if any) derived from it, can go down as well as up.

### ***Investing in Emerging and Frontier Markets***

Investing in Emerging and Frontier Markets involves additional risks when compared with investments in developed markets. These risks include currency exchange rate fluctuations, political and economic instability, foreign taxes and different regulatory, auditing and reporting standards. The political, regulatory and economic risks inherent in investments in Emerging and Frontier Markets are significant and may differ in kind and degree from the risks presented by investments in the world's major securities markets. These may include greater price volatility, substantially less liquidity and controls on foreign investment and limitations on repatriation of invested capital. Costs relating to investment will also tend to be higher.

### ***Risk Management***

Prince Street is aware that while risk management is one of the most ambiguous terms in portfolio management, the investment strategy employed by Prince Street on behalf of its clients involves significant risks, such as the considerable and inherent political uncertainty and instability of Emerging and Frontier Markets. It is in this context, that Prince Street employs a combination of risk management guidelines, metrics and techniques such as product diversification, concentration and liquidity analysis to address and mitigate as effectively as possible the impact of such investment risks. However, there can be no assurance that any risk management techniques will be successful.

### ***Leverage***

Certain investment practices or trading strategies such as investment in financial and commodity futures or derivative instruments may involve significant leverage. Leverage can be employed in a variety of ways including direct borrowing, margining, short selling and the use of futures, warrants, options and other derivative products. Generally, leverage is used to increase the overall level of investment in a portfolio. Higher



investment levels may offer the potential for higher returns. This may expose an investor to increased risk as leverage can increase an account's market exposure and volatility. The risk of leverage in futures contracts, options warrants and other derivatives is that small movements in the price of the underlying asset or index can result in large losses or profits. Many derivatives are not traded on any exchange, and no assurance can be given that a liquid market will exist for any particular futures contract or other derivative at any particular time. If assumptions made by managers are wrong or if the instruments do not work as anticipated, the relevant portfolio could lose more than if the portfolio had not used such investment techniques.

### ***Illiquid Assets***

Certain investment positions may be or become illiquid. A portfolio may invest in "restricted" or non-publicly traded securities or thinly traded securities. It may not be easy to dispose of such non-publicly or thinly traded securities, and in some cases, there may be contractual restrictions preventing the disposal of securities for a specified period of time. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. Such investments may require a significant amount of time from the date of initial investment before disposition.

The ability of an investor to redeem or withdraw its investment or for an investment fund to pay redemption or withdrawal proceeds in respect of redemptions may be adversely affected by illiquidity of the underlying assets. If redemptions exceed the amount of cash or other liquid assets immediately available to fund such redemptions, a fund may need to liquidate additional assets, which may in turn limit or otherwise affect investment positions and strategies within a portfolio.

### ***Currency Exposure***

Certain assets may be invested in securities and other investments that are denominated in currencies other than the US Dollar and in other financial instruments, the price of which is determined with reference to currencies other than the US Dollar. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. Prince Street may (but is not obliged to) seek to hedge the exposure of client portfolios to currencies other than US Dollars. In addition, clients whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between US Dollars and such other currencies.

Many developing markets have inflationary economies where the risks associated with holding currency are significantly greater than in other, less inflationary markets. Currency exchange rates are highly volatile and subject to severe event risks, as the political situation with regard to the relevant foreign government may itself be volatile. Moreover, if the cash flow from investments is contingent or uncertain, it may be difficult

to quantify the attendant cross-currency risk, compounding the risk of changes in underlying currencies by the other risks in the portfolio. Correlations between these risks are difficult to quantify and, therefore, difficult to hedge. An inaccurate estimation of the correlation may lead to a faulty hedge, and a consequent loss in a client's portfolio. In highly volatile markets, predictions of correlation based on historical data can diverge dramatically from observed market moves.

### ***Concentration of Investments***

A portfolio may at times hold relatively few investments. The result of such concentration of investments is that a loss in any such position could materially reduce the value of the client portfolio.

### ***Equity Securities***

Investments in long and short positions in equity securities may fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions affecting specific issuers, such as changes in earnings forecasts.

### ***Short Selling***

Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities or other instruments necessary to cover a short position will be available for purchase.

Due to regulatory or legislative action taken by regulators around the world as a result of volatility in the global financial markets, taking short positions on certain securities may be restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions may make it difficult and in some cases impossible for market participants either to continue to implement their investment strategies or to control the risk of their open positions.

### ***Hedging***

Some investment strategies may employ hedging techniques, directed primarily toward general market risks. If employed, hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments. For a variety of reasons, it may not be possible to establish a sufficiently accurate correlation between hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent an investor from achieving the intended hedge or expose the investor to risk of loss. In addition to

possible losses on the position sought to be hedged notwithstanding the attempted hedge, an investor could incur losses on the hedging position itself.

All hedging strategies necessarily involve costs, which could be significant, whether or not the hedge sought is successful. Some strategies may invest in markets or instruments as to which hedging strategies are limited or unavailable. Hedging instruments may involve costs or risks that are considered prohibitive in the context of the relevant strategy.

### ***Derivatives***

Prince Street may utilize exchange-traded and over-the-counter futures, swaps, “synthetic” or derivative instruments, certain types of options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. A swap is an agreement between an investor and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic fixed payments to the other party in return for the other party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps and other derivatives are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house or regulated by any U.S. or foreign governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and the account may not be able to enter into an offsetting contract in order to be able to cover its risk. New rules recently adopted in several major jurisdictions may require that certain swaps be traded on exchanges, and may limit the availability of certain types of swaps.

### ***Debt Securities***

Some of the Prince Street funds may invest in bonds and other fixed income securities that are subject to credit, liquidity and interest rate risks. Debt securities may be unrated by a recognized credit-rating agency or rated below investment grade, and subject to greater risk of loss of principal and interest than higher-rated debt securities. Debt securities may also rank junior to other outstanding securities and obligations of the issuer that may be secured by substantially all of that issuer's assets. Investments in some debt securities may not be protected by financial covenants or limitations on additional indebtedness. Investments in distressed debt securities may be subject to a significant risk of the issuer's inability to meet principal and interest payments on the obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity risk (market risk). Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making

comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, which can make it difficult to accurately calculate discounting spreads for valuing financial instruments.

### ***Counterparty Risks***

Investments may be subject to the risk of the inability of any counterparty (including any prime broker or custodian) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Prince Street may maintain trading relationships with counterparties that may include various non-U.S. broker-dealers and financial institutions. In general Prince Street will seek to diversify its client portfolios' counterparty risk and maintain relationships with highly rated counterparties. However, these relationships could result in concentration of credit risk. A client portfolio in particular could be exposed to credit risk if counterparties fail to fulfill their obligations or the value of any collateral provided by a counterparty becomes inadequate. When options or other derivative contracts are purchased over-the-counter, an account bears the risk if the counterparty to that derivative contract or option will be unable or unwilling to perform its obligations. Such derivative contracts may also be illiquid and, in such cases, an account may have difficulty closing out its position.

### ***Forward Foreign Exchange Contracts***

Certain strategies may invest in forward currency contracts with banks, financial institutions or dealers acting as principal. Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, it may not be possible for an investor to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader.

There are no limitations on daily price moves in forward contracts. Banks and other financial institutions may require a client to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Trading of forward contracts through banks is not regulated by any U.S. governmental agency. An account will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

### ***Transaction Costs***

Certain investment strategies may involve a high level of trading of the client portfolio's investments, which may be higher than the average for other more traditional portfolios

and accordingly the level of commissions paid and other transaction costs borne by the client are likely to be higher than average.

## **Item 9.**

### **Disciplinary Information**

Prince Street and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

## **Item 10.**

### **Other Financial Industry Activities and Affiliations**

#### *Registered Broker-Dealers*

Neither Prince Street nor its management persons is registered as a broker-dealer or a registered representative of a broker-dealer or affiliated with any broker-dealer or bank.

#### *Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors*

Neither Prince Street nor any of its management persons is registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

#### *Relationships with Related Persons*

The only clients of Prince Street at present are the Prince Street funds, each of which is a pooled investment vehicle exempt from registration under the Investment Company Act. An official of Prince Street acts as general partner or a managing member of certain Prince Street funds.

Employees of Prince Street and its affiliates may serve as officers, advisors, and directors or in comparable management functions for portfolio companies in which the Prince Street funds invest, or provide other services to portfolio companies. Employees of Prince Street may also from time to time serve on the board of directors or a creditors committee of a portfolio company, or be given access to confidential information relating to companies in which the Prince Street funds invest. As a result, the Prince Street funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on the Prince Street funds.

Prince Street Capital Management Pte. Ltd., a Prince Street advisory affiliate, was granted a Capital Markets Service Licence on March 16, 2012 by the Monetary Authority of Singapore pursuant to the Securities and Futures Act (CAP. 289) of Singapore, as amended, to conduct the regulated activities of Fund Management. Prince Street Capital

Management Pte. Ltd., by virtue of relying on the Prince Street's registration pursuant to the Adviser's Act, is exempt from having to register separately with the SEC.

#### *Selection or Recommendation of Other Advisers*

Prince Street does not recommend or select other investment advisers for its clients and receive compensation from such advisers in a manner that would create a material conflict of interest. Prince Street does not have other business relationships with other advisers that create a material conflict of interest.

### **Item 11.**

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

##### *Code of Ethics*

Prince Street and its advisory affiliate, Prince Street Capital Management Pte. Ltd., have adopted a single, uniform Code of Ethics under Rule 204A-1 of the Advisers Act expressing Prince Street's commitment to ethical conduct. Prince Street's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth written policies and procedures with respect to a variety of matters including, without limitation, service on Boards of Directors, outside business activities, affiliations with publically-traded companies, gifts and business entertainment, campaign contributions, and the practice of monitoring the personal securities transactions of supervised persons with access to client investment recommendations. Under Prince Street's Code of Ethics, all supervised personnel have a duty to act only in the best interests of the Prince Street funds and all potential conflicts and violations of the Code of Ethics must be promptly reported to Prince Street's Chief Compliance Officer ("CCO"). All supervised personnel must acknowledge the terms of the Code of Ethics annually, or as amended. It is the expressed policy of Prince Street that no person employed by Prince Street shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

The Code of Ethics contains written policies and procedures with respect to personal securities transactions by all employees and related personal accounts that are designed to prevent front-running, scalping, the misuse of inside information and other improper and prohibited activities. All employees must obtain the prior approval of the CCO for all personal transactions in any security prior to effecting them, and must report all personal transactions and holdings to the CCO (or a designee) on at least a quarterly basis. The CCO (or a designee) monitors all transactions by employees in order to identify any pattern of conduct that may evidence conflicts or potential conflicts with the principles and objectives of the Code of Ethics, or other inappropriate behavior.

Prince Street requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. Prince Street's Code of Ethics

also includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

Prince Street will provide a complete copy of its Code of Ethics upon request.

#### *Participation or Interest in Client Transactions; Personal Trading*

It is the Prince Street's policy ordinarily not to cause a Prince Street fund to engage in "cross trades" via the purchase of a portfolio investment from or sale of a portfolio investment to another Prince Street fund (i.e., engage in any inter-account trading). In the extraordinary circumstances that a cross trade or inter-account trade is considered, it shall be the Prince Street's policy to only do so in the most equitable and fair manner for all investors involved and provided that the sale or purchase is consistent with Prince Street's fiduciary obligations to each Prince Street fund. An employee may not engage in principal transactions between a personal account and a client account. An Employee may not cause one client account to sell a security to another client account in a cross transaction if any employee or other affiliate of the Prince Street fund received compensation from any source for acting as broker.

Prior to execution of a cross transaction, the employee recommending the trade will be responsible for preparing a brief memorandum setting forth the reasons why the transaction is suitable for each client involved (e.g., differences in invested positions, investment objectives, risk tolerances, tax situations, etc.). The memorandum shall be prepared by the employee and initialed by Stoddard "Tad" Sennott, the Head Trader or CCO and copies shall be maintained in the appropriate client files. Restricted securities or securities for which market quotations are not readily available may not be crossed.

On occasion, Prince Street and its principals and employees may buy and sell securities for themselves that they also recommend to clients. Prince Street and its principals and employees are investors in some of the investment funds managed by Prince Street. The Code of Ethics contains policies and procedures designed to prevent improper practices with respect to such transactions, and compliance with the Code of Ethics by Prince Street, its principals and employees is the primary method employed by Prince Street to address the conflicts of interest that arise with respect to these transactions. For example, the principals and employees of Prince Street are generally not permitted to execute a personal securities transaction for 48 hours before or after any client of Prince Street has a pending "buy" or "sell" order in the same security.

### **Item 12.**

#### **Brokerage Practices**

Subject to the investment objectives, policies and restrictions of each Prince Street fund as set forth in such Prince Street fund's Governing Documents, Prince Street has discretionary authority to determine the type, amount, and price of securities and

investments to be bought and sold on behalf of each Prince Street fund or other client, including the selection of, and commissions paid to, brokers.

In selecting broker-dealers to effect securities transactions, Prince Street seeks to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, operational efficiency and such other factors as Prince Street considers relevant and beneficial to the Prince Street funds. Prince Street may consider referrals of Prince Street fund investors in determining its selection of brokers.

#### *Research and Other Soft Dollar Benefits*

Prince Street selects brokers and dealers to execute transactions for client accounts based on the benefits and costs of their services as compared to others in the marketplace. Prince Street attempts at all times to achieve best execution. Prince Street may take into account special expertise or capacities of a particular broker as well as research and other services provided to Prince Street by brokers. Prince Street considers such factors as price, the ability to effect the transactions, the brokers' or dealers' facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services, and any research or investment management-related services and equipment provided by such brokers or dealers. Prince Street does not necessarily solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

Prince Street may cause a higher commission to be paid to a broker or dealer that furnishes research, services or equipment than might be charged by another broker or dealer for effecting the same transaction, provided that Prince Street determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research or investment management-related services and equipment provided by such broker or dealer.

Research services provided to Prince Street by brokers may include written information and analyses concerning specific securities, companies or sectors (whether produced by the broker or a third party); market, financial and economic studies and forecasts (whether produced by the broker or a third party); statistics and pricing services; discussions with research personnel; data bases; and other news, technical and telecommunications services utilized by Prince Street in the investment management and execution process, accounting fees and legal fees. Prince Street does not receive any benefits outside the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended, for the use of commissions or "soft dollars" to obtain "research and execution" services. Research services provided by brokers may be used for the benefit of all clients of Prince Street.



Prince Street's use of client brokerage commissions to obtain research services is a benefit to Prince Street because Prince Street does not have to produce or pay for such research services. This may result in an incentive for Prince Street to select or recommend a broker-dealer based, in part, on the interest of Prince Street in receiving such research services, rather than exclusively on the interest of Prince Street's clients in receiving most favorable execution.

Prince Street and its affiliates may have other business arrangements with brokers and dealers used to execute transactions for clients. Brokerage firms and their affiliates and representatives may invest in funds managed by Prince Street, and may provide financing or other services to Prince Street or other accounts managed by Prince Street. Brokerage firms and their employees may offer gifts to employees of Prince Street, and may invite employees of Prince Street to entertainment and social events. It is Prince Street's policy that factors such as gifts and entertainment that do not benefit client accounts should not be considered when selecting brokers and counterparties to execute transactions for clients.

#### *Brokerage for Client Referrals*

Subject to Prince Street's obligation to seek best execution of all transactions for its clients, Prince Street may consider referrals of clients or investors in determining its selection of broker-dealers. Prince Street may have an incentive to select or recommend a broker-dealer based on its interest in receiving investor referrals, rather than on its clients' interest in receiving the most favorable execution.

#### *Directed Brokerage*

Prince Street does not permit clients or investors to direct brokerage.

#### *Trade Aggregation*

Prince Street has established an aggregation of orders policy regarding portfolio investment transactions on behalf of the Prince Street funds. Prince Street may, but is not required to, aggregate orders for the purchases or sales of securities on behalf of client accounts. Prince Street will make aggregated trade orders in a manner that it considers to be fair and consistent with its fiduciary duties to clients. Participating accounts do not always pay (or receive) average share price with respect to securities transactions. In the event that purchase or sale orders are placed at the same time with the same order instructions (i.e., position amounts, price limits, etc.), client accounts will generally participate on an average share price basis. However, given the independent and distinct nature of each client account, in circumstances where trade orders contain different instructions or limitations, or are placed at different times, client accounts will generally pay (or receive) prices corresponding to the executed transactions based on order instructions and timing of trades. Personnel of Prince Street responsible for trading securities on behalf of client accounts typically monitor the markets in which Prince

Street trades in an effort to increase flexibility and efficiency of Prince Street's trading practices in order to maximize benefits for client accounts.

### **Item 13.**

#### **Review of Accounts**

##### *Review of Client Accounts*

All client accounts are reviewed on a daily basis by either David C. Halpert, the Portfolio Manager or the Head Trader. Investments are reviewed in the context of each Prince Street fund's adherence and consistency to the investment objectives and guidelines as set forth in the Governing Documents of each Prince Street fund, the size and number of positions, and country and sector exposures.

##### *Reports to Clients*

The Administrator of each Prince Street fund independently values the portfolio and prepares and distributes monthly reports to investors. Annual reports generally contain an individual investor's capital account statement as of the end of such fiscal year, a list of investments held by the Prince Street fund and the audited financial statements of the Prince Street fund. The monthly reports generally contain unaudited performance results for the fiscal period.

Investors are requested to refer to the Governing Documents of each Prince Street fund for further information on the reports provided by a particular Prince Street fund to its investors.

### **Item 14.**

#### **Client Referrals and Other Compensation**

##### *Economic Benefits Received from Third Parties*

Prince Street does not receive any economic benefits from third parties in connection with investments made by the Prince Street funds or in connection with its advisory services, other than research services within the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended, for the use of commissions or "soft dollars" to obtain "research and execution" services, as described above under "Brokerage Practices".

##### *Third Party Compensation for Client Referrals*

Prince Street has entered into one third-party marketing agreement with an independent broker-dealer for the referral of investors in the Prince Street funds. Prince Street does not expect this relationship to result in any significant additional capital. In addition, it is

possible that occasionally Prince Street may direct trades to brokers who make casual or personal introductions of investors to one of the Prince Street funds. However, there is no direct or indirect compensation paid to any broker for this service.

## **Item 15.**

### **Custody**

Prince Street will not have physical custody of any client assets. Prince Street may be deemed to have custody of the assets of certain of the Prince Street funds as a result of its authority over the Prince Street funds.

It is Prince Street's policy to cause each Prince Street fund with assets over which Prince Street is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles, to investors no later than 120 days after the end of each fiscal year. Managed account clients should receive at least quarterly statements from the custodian. Prince Street urges managed account clients to carefully review such statements and compare them to any account statements provided by Prince Street.

## **Item 16.**

### **Investment Discretion**

Subject to the investment objectives, policies and restrictions of each Prince Street fund as set forth in the Governing Documents of such Prince Street fund, Prince Street has complete discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Prince Street fund and client account, including the selection of, and commissions paid to, broker-dealers.

Unless otherwise agreed to between Prince Street and each client, Prince Street will not ordinarily be responsible for losses in client accounts, whether caused by the actions of Prince Street or unrelated third parties, unless caused by the gross negligence, fraud or willful misconduct of Prince Street. Accordingly, Prince Street will not ordinarily be responsible for the consequences of ordinary trade errors, unless caused by the gross negligence, fraud or willful misconduct of Prince Street.

## **Item 17.**

### **Voting Client Securities**

Because Prince Street has authority to vote securities held by each Prince Street fund, it has adopted policies and procedures (the "Proxy Voting Policies and Procedures") that have been designed to ensure that Prince Street complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect Prince Street's

commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the client.

When exercising its voting authority over client securities, Prince Street considers all relevant information, evaluates other issues that could have an impact on the value of the security, and votes with a view toward maximizing overall value. Prince Street reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the client. As a result, depending on the client's particular circumstances, Prince Street may vote one client's securities differently than it votes those of another client, or may vote differently on various proposals, even though the securities or proposals are similar. In some instances, Prince Street may determine that it is in the client's best interest for Prince Street to abstain from voting.

Prior to exercising its voting authority, Prince Street reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of Prince Street, its owners, employees or related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, Prince Street takes steps to ensure that its voting decision is based on the best interests of the client and is not a product of the conflict. Prince Street may, at its discretion, disclose the conflict of interest to the client and defer to the client's voting recommendation, defer to the voting recommendation of an independent third party provider of proxy voting services, or take any other action which would serve the best interest of the client. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar or identical.

Prince Street will deliver to each client upon request a copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Prince Street fund(s).

## **Item 18.**

### **Financial Information**

Not Applicable.

