



Item 1. Cover Page

ADV Part 2A Brochure:

Name: Highclere International Investors LLP
Address: 2 Manchester Square
London
W1U 3PA
UK
+44 20 7258 9830
Contact: clientservice@highclereinvestors.com (Marketing)
fgilmour@highclereinvestors.com (Compliance and Operations)
Website: www.highclereinvestors.com

This brochure provides information about the qualifications and business practices of Highclere International Investors LLP (“Highclere”). Questions about the contents of this brochure should be directed to Fergus Gilmour, Chief Operating Officer at fgilmour@highclereinvestors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”), any other state or federal regulatory authority, any foreign regulatory authority or any self regulatory body.

Highclere is a registered investment adviser. Please note that being a registered investment adviser does not imply, in any way, a certain level of skill or training.

Item 2. Material Changes

Highclere updated its Form ADV brochure in March 2012. The following material changes have occurred since this date:

None

Copies of the historic ADV Part 2 documents prepared by Highclere or its predecessor entity (HII Limited) are available upon request.

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Item 4. Advisory Business

History

Highclere is a private investment management company established in May 2006 by Ed Makin and team in order to specialize in international small and mid cap investment primarily on behalf of investors based in the United States. Ed Makin has worked in the international investment industry for 24 years both in the US at Wellington Management and in the UK at Wellington Management and Morgan Stanley Asset Management.

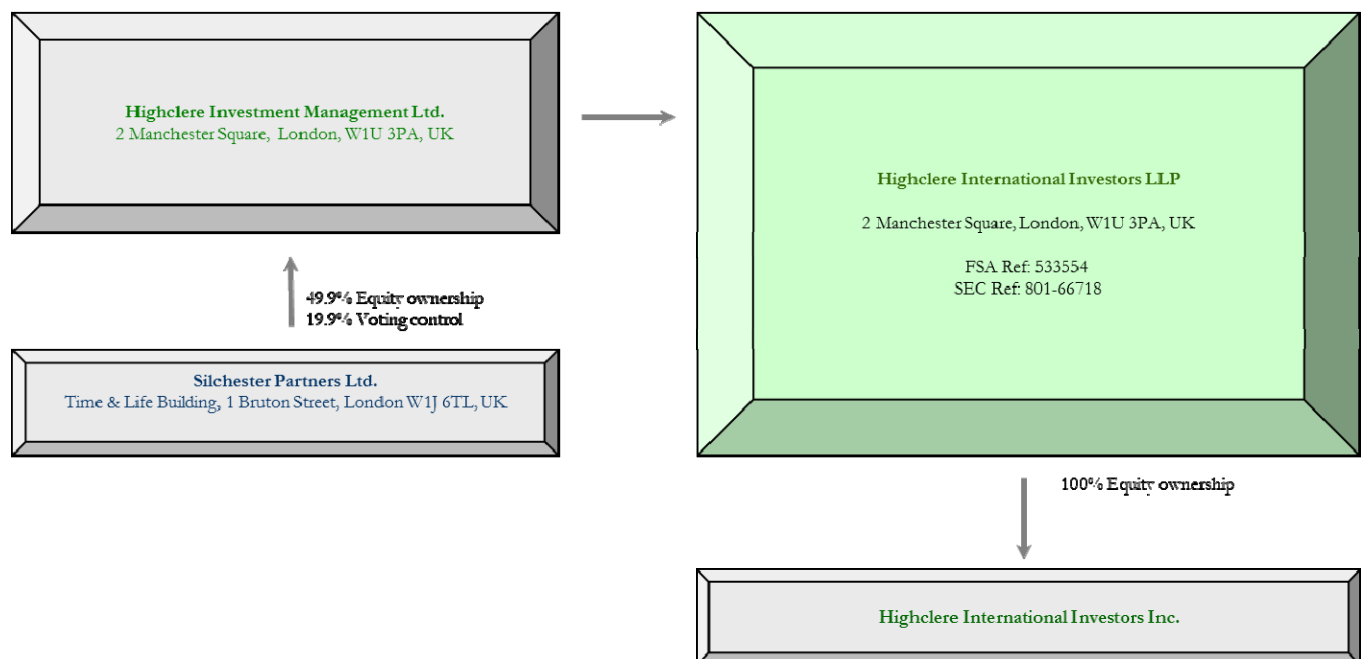
Highclere was registered by the FSA on May 3, 2006, and by the SEC on June 7, 2006.

Structure

All Fund Management and Operations are conducted by Highclere International Investors LLP, a private Limited Liability Partnership ("Highclere"). All Marketing and Client Servicing is directed by Highclere International Investors, Inc. a wholly owned US subsidiary.

Highclere is a UK limited liability partnership. As of December 31, 2011, Highclere had ten (10) partners and six (6) employees. Highclere Investment Management Limited ("HIM Ltd") owns a substantial majority (>90%) of Highclere's capital. The remaining capital has been contributed by the working partners.

A structure chart highlighting Highclere's organisation structure and material direct and indirect owners follows.



Types of Services Offered

Highclere provides discretionary investment management services to its Clients. Highclere has a single primary investment focus: international (ex-US) small and mid cap equity. Highclere currently offers international small and mid cap exposure through long only commingled funds and qualified separate accounts with mandates similar to those of the commingled funds. Currently Highclere only provides investment advice to separate accounts for non-US persons, but will consider separate accounts for US persons on a case by case basis.

Highclere does not customise or modify its investment programme based on individual investor needs. Unitholders in either of the commingled funds are not permitted to impose restrictions on investing in certain securities or types of securities.

Highclere does not participate in wrap fee programs.

Discretionary assets under management were \$1.85bn as at 31st March 2012. This includes separate accounts for non-US persons.

Item 5. Fees and Compensation

Highclere operates two commingled funds for US investors:

1. The Highclere International Investors Smaller Companies Fund (“HII SCF”)
2. The Highclere International Investors SMID Fund (“HII SMID”)

	HII SCF	HII SMID
	% Per Annum	% Per Annum
First \$25m	1.25	1.00
Next \$25m	1.10	0.90
Thereafter	1.00	0.80

And an offshore fund based in Jersey (U.K.) for non-US investors:

1. The Highclere (Jersey) International Smaller Companies Fund (“Jersey SCF”)

	Jersey SCF
	% Per Annum
All investments	1.25

Fees are paid by each Unitholder invested in the Funds based upon the market value of the Units held by the Unitholder rather than the value of the Fund itself. Fees are not generally negotiable. Fees are normally payable monthly in arrears and are normally paid via the redemption of part of the Units held by each Unitholder in a Fund on a monthly basis. Unitholders will incur brokerage and other transaction costs as described in Item 12, ‘**Brokerage Practices**’.

Highclere does not ordinarily anticipate operating separate accounts, with the exception of temporary accounts used to facilitate investment into or withdrawals out of its Funds and the existing non-US separate accounts it currently manages. However, Highclere will consider a separate account for a Unitholder interested in investing amounts over approximately US\$100m in the HII SMID fund. A fee scale for a separate account is available on written request.

The Funds pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, market spreads, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments. The Funds are obligated to pay all income and other taxes related to their underlying investments. In addition, the Funds may be required to reimburse Highclere or the third party service providers to the Funds for legal expenses incurred that Highclere deem to be necessary to protect the Unitholders (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).

Highclere 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). Highclere pays any fees payable to the Custodians, Trustees, Fund Administrators, Managers, Managing Members, Auditors, Tax Advisors and other similar service providers of the Funds. The Funds are not required to reimburse Highclere in the event that the investment management fees are insufficient to cover the expenses borne by Highclere.

Investors invested in separate accounts pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, market spreads, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments. Investors invested in separate accounts are obligated to pay all income and other taxes related to their underlying investments. In addition, Investors invested in separate accounts may be required to reimburse Highclere or the third party service providers to the Funds for legal expenses incurred that Highclere deem to be necessary to protect the Unitholders (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). In addition, Investors 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). Investors 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.

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

Highclere does not charge performance based fees to any of its Investors or to any Unitholders.

Item 7. Types of Clients

Each Fund, and not the underlying Unitholders in each fund, is currently considered a Client pursuant to Rule 203(b)(3)-1 of the Investment Advisers Act of 1940. Highclere makes investments on behalf of the Funds for the benefit of the underlying Unitholders in each respective fund. Units are sold only to Unitholders that qualify as “**accredited investors**” and “**qualified purchasers**” under applicable securities laws.

The minimum initial subscription for Units in the HII SCF and HII SMID funds is US\$2m. There is no initial minimum subscription for Units in the Jersey SCF fund.

Highclere will often use temporary security accounts used to facilitate investment into or withdrawals out of its Funds and will consider a separate account for a US Unitholder interested in investing amounts over approximately US\$100m in the HII SMID fund. A fee scale for a separate account investing exclusively in this fund is available on written request.

Sideletter Agreements

It is Highclere’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 management fees, the payment or timing of redemptions, indemnification by Highclere, the law governing Highclere’s and each Unitholder’s responsibilities under the governing documents for the Funds, or access to Fund level data. Our sideletter agreements tend to deal with operational matters. As a matter of policy, we do not offer investors preferential rights to data, redemption rights, or reductions in investment management fees. We will provide a copy of our sideletter summary to any current or prospective investor upon request and will discuss the contents of any sideletters with any current or prospective investor.

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

Investment Strategy and Analysis – International Equity Programme

Highclere’s 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. As many companies have multinational operations, a company’s location will ordinarily be determined by factors such as (i) its jurisdiction of incorporation, (ii) the location of its head office, primary market, significant sources of revenues, income or the location of its assets, or (iii) its classification as determined by various market indices.

We are flexible in our approach to investing in companies, not limited by a particular style bias. We focus on absolute returns and expect to own a balance of early stage growth and recovery stocks in the portfolio. The balance of growth and recovery within the portfolio will be dictated by the opportunities that present themselves in our investment universe. At any one point in time we aim for the portfolio to represent a collection of attractively valued international small cap stocks. We maintain a decent level of portfolio turnover in order to sell or trim stocks which become too expensive, or where quality is fading, and reinvest the proceeds in better quality, more attractively valued stocks. Simply trimming and adding to existing positions in response to short term volatility also helps to preserve the attractiveness of the overall portfolio.

Our process has a bias to higher quality, less leveraged, attractively valued companies. We believe that over the longer term this is the best strategy for enhancing the wealth of our clients. There will be times when we will do less well than our benchmark or peer group, typically when liquidity is flowing towards stocks with high financial leverage, or when a particular theme or concept overtakes what we believe to be rational valuations.

Our investment decision process is systematic, methodical and research-driven. Our ideas are generated by database screening to identify companies which meet our growth and valuation criteria; analysis of eight-ten year relative price performance charts versus local markets to find ideas and growth trends; financial analysis to identify the strength and liquidity of the balance sheet and cash flow; and fundamental analysis of each company's products, franchise, market opportunity and management. For each company, a succinct research report is written with conclusions summarized under five key headings: quality, value, insight, target price, and recommendation.

We use several different sources to generate investment candidates from an available universe of approximately 4,000 stocks, including quantitative screens (for example EPS growth, P/E), relative chart screens, corporate actions (IPO's), company referrals, local brokers and proprietary Highclere research derived from company visits. We then ascertain whether the company meets our criteria:

The first question we ask ourselves is whether a company is a good company. Will it use shareholder capital competitively, creatively and efficiently? Is it focused on its product or services? Can we understand the business? Is the company competitive, can it sustain this position? Is the management motivated and high quality? Foremost in our minds is the need to perform our fiduciary duty, assessing companies as to whether they deserve to be invested in by our clients. Secondly, we test to see if it is an attractively valued stock. Our valuation methodology reflects the nature of the underlying corporate business model. All valuations are fluid, are measured in relation to likely profitability and growth, and incorporate measures of creditworthiness. We are happy to measure returns to shareholders in earnings, dividends or asset value as appropriate.

Highclere has established investment parameters as to the amount of each Fund's portfolio invested in securities with particular characteristics, individual securities, and the securities of companies located in particular countries or regions. These investment parameters are outlined more fully in the Investment Guidelines set out in the confidential private offering memorandum for each Fund.

Types of Securities

Highclere will invest primarily in established markets; however, Highclere may also invest in emerging markets. Highclere is permitted to utilize a wide range of equity instruments in attempting to achieve its investment objectives, including both common and preferred stocks, convertible preferred stocks, convertible investment grade instruments, depository receipts, and to a limited extent, options and warrants on equity securities. Highclere is also permitted to invest in physical currencies and spot and forward currency contracts. Since purchases of foreign securities may give rise to unwanted foreign currency exposure, Highclere 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 spot and forward currency contracts.

Subject to investment guidelines, Highclere 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 or otherwise commit to acquire securities on a forward commitment basis, and (ii) unregistered and bearer securities. Highclere does not invest in futures or options on futures. However, Highclere may invest in, hold, and purchase, or otherwise acquire 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. Highclere may purchase the securities of issuers during an initial public or secondary offering of securities.

Companies involved in initial public or secondary 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 or secondary offerings traditionally have been quite volatile. Highclere may also be required to agree to certain transferability restrictions as a precondition for participating in these types of security offerings.

Frequency of Trading

Over the course of a market cycle, Highclere would expect the turnover of its commingled funds to typically be in the range of 60-80% per annum. Highclere makes investment decision on when to sell a security solely based on its investment criteria and do not take into account tax considerations. In other words, Highclere does not engage in “tax loss harvesting” strategies employed by other investment advisers.

Strategy Risks:

There are a number of material risks associated with investing in small to mid cap publicly traded non-US equity securities. These include, but are not limited to, the following matters. Further information on investment risks is disclosed in the confidential private offering memorandum of each Fund.

- *Global Markets.* Highclere invests in global markets in both developed and emerging countries. Investors are therefore subject to: (i) currency exchange-rate risk; (ii) the possible imposition 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.
- *Emerging Market Securities.* Highclere may purchase 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. 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 appointed by a privately offered commingled fund’s custodian (such as Northern Trust). These factors may result in higher spreads being paid when the currencies associated with emerging market securities are traded.
- *Liquidity.* Highclere’s investment guidelines restrict our ability to invest more than a given percentage in any given security, country, industry group, or industry sector. We tend to be patient, limit-driven investors and normally limit our daily volumes to no more than 1/3 of the traded volume of a security. We will be a larger part of daily volumes if a “natural” buyer or seller is looking to trade larger security sizes. We view ourselves as patient providers of liquidity, rather than users of liquidity. Because our portfolio positions have been built over a period of time, we would not expect to liquidate our entire portfolio in a day, week, month, or quarter. One way in which market stresses could impact our portfolio is the liquidation of securities as part of client redemptions. We would prefer to match withdrawals with incoming contributions so that we are not forced sellers in a market. However, we allow clients to redeem moneys once per month. If larger redemptions cannot

be offset by client contributions and a redeeming client is unable or unwilling to wait for offsetting contributions, we would normally redeem the client in species and liquidate the securities in the market as prudently as possible in order to meet the client's deadline for raising the necessary cash. Obviously, liquidating a larger volume of securities over a longer period of time is more likely to minimize the market impact of any forced sales.

- *Performance.* There is no guarantee that the investment approach, techniques, or strategies utilized by Highclere on behalf of each Fund will be successful or profitable. All investments of each Fund risk the loss of capital.
- *Cash Balances.* The US dollar cash balances for the Funds are invested in money market funds sponsored by Northern Trust. Highclere may direct Northern Trust to hold US 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 US\$1.00 or if redemptions from the money market funds, deposit accounts or other vehicles were restricted. Non-US 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).
- *Counterparty Risk.* 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, Highclere 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. And on the other side, cash remains with Highclere until execution. If the broker or counterparty defaults or declares bankruptcy, the investor could suffer losses on warehoused security positions.
- *Tax Risks.* Highclere's investment decisions are based primarily upon economic considerations and not tax considerations, and could result, from time to time, in adverse tax consequences. 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 double taxation treaties to the extent Highclere can prove that each underlying investor is resident in the US for income tax purposes. This is normally done by providing the foreign tax authority with an 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 no legal or disciplinary proceedings against Highclere since its inception in May 2006.

Item 10. Other Financial Industry Activities and Affiliations

Highclere is not affiliated with any banks, broker dealers or custodians. Highclere is an independent limited liability partnership that is owned and controlled by its partners.

Highclere Investment Management Limited ("HIM Ltd") is a partner in Highclere. HIM Ltd is an independent private company with two classes of shareholders. The "B" class are owned by current and past employees and these permit majority control of the company. Ed Makin, the Chairman and Chief Executive, owns the majority of this class. The "A" class are owned by Silchester Partners Ltd ("SP Ltd") and these carry minority voting rights. SP Ltd is entitled to appoint a non-executive member to the Executive Group of Highclere. SP Ltd have made similar minority investments in other SEC registered investment advisors. Details can be found on their ADV Part 1 and Part 2. In addition, Highclere owns 100% of HII Inc., an entity formed for tax and employment purposes to operate Highclere's marketing and client services division.

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

Highclere has adopted a Code of Ethics which complies with the purposes and objectives of Rule 204A-1 of the Investment Advisors Act of 1940. This Code of Ethics sets forth Highclere's fiduciary duties to its Clients and establishes standards of conduct for its supervised personnel. Among the topics covered in the Code are: prohibitions on insider trading, resolving conflicts of interest, personal securities transactions by Highclere's personnel, and confidentiality of Unitholder information. Highclere will provide a copy of its Code to any Unitholder or prospective investor upon request and without charge. To obtain a copy of the Code, please contact the Highclere's Chief Compliance Officer, Fergus Gilmour via email at fgilmour@highclereinvestors.com.

Participation or Interest in Client Transactions:

Partners and Employees of Highclere and Highclere's subsidiary (HII Inc.) have invested in Highclere's US based Funds alongside other investors. As the Funds are pooled vehicles our Partners and Employees, like all other investors, are allocated units at the NAV on trade date. The funds are independently valued and all Unitholders are treated the same.

Personal Account Trading Policies:

Employees and members of Highclere and its subsidiaries may trade securities for their own accounts in accordance with Highclere's Code and the procedures set forth therein. In order to minimize any potential conflicts and to fully serve the best interests of the Firm's clients, employees and related parties are generally prohibited from personal account dealing in securities that form part of the Firm's small to mid cap. universe (market capitalisation less than US\$15bn) or which form part of any client portfolio. Highclere's procedures prohibit Highclere from favouring accounts in which its employees, partners, or members have a direct or indirect financial interest over the accounts of Highclere's Clients. Certain agents and other independent contractors may be subject to differing restricted trading procedures. Employees and members of Highclere are generally prohibited from acting as the directors of any publicly traded companies that may form part of a Clients portfolio.

Item 12. Brokerage Practices

Brokerage Selection

Highclere generally assumes responsibility for selecting brokers and dealers for the execution of equity and foreign exchange transactions on behalf of its Funds or temporary separate client accounts (for purposes of this section, the term "Client" includes the Funds as well as temporary separate accounts). Highclere is not affiliated with any broker/dealers and does not execute equity or foreign exchange transactions as a principal. Accordingly, Highclere selects unaffiliated third-party broker/dealers to

execute all Client transactions although, as permitted by applicable law and described in more detail below, Highclere 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, Highclere takes all reasonable steps to obtain the best possible result for Clients when executing an order. The best possible result is not limited to execution price but can also be determined by:

- quality of execution
- availability and quality of research products and services
- the nature and character of the relevant markets on which the transactions will be executed
- access to Company management
- the broker's execution experience, integrity and credit-worthiness
- operational efficiency
- Creativity including the use of program trades or other trading tools employed by brokers

Research services may include information or analysis relating to companies, sectors, countries and other services that may assist Highclere in its investment decision. Highclere may consider the availability and quality of research products and services provided by a broker in selecting which brokers to use in effectuating Client transactions. Highclere ordinarily reviews its active broker list on an annual basis and assesses each broker on a combination of factors including those listed above. Where issues arise or expectations are not met Highclere may meet with the brokers more frequently to review the relationship and the services being provided.

The introduction of the Markets In Financial Instruments Directive (MIFID) in Europe, has created an obligation on Highclere's brokers to take all reasonable steps to obtain the best possible result for Highclere and its Clients. In order to achieve this, the broker will take account of the characteristics of the Client and the order and the broker will, subject to direction by Highclere, select an appropriate source of liquidity. The liquidity sources or "execution venues" may include regulated markets and multilateral trading facilities ("MTF's"); and systematic internalisers, market makers and other liquidity providers.

Alternatively, Highclere may elect to cross transactions internally. This will usually be for the purpose of reducing transaction costs or rebalancing Client investment portfolios. This normally occurs where inflows from one Client coincide with outflows from another Client to which Highclere also acts as adviser. In the event that Highclere causes one Client to purchase securities from or sell securities to another Client, Highclere 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. Highclere may use unaffiliated third-party brokers to facilitate these cross transactions and/or execute such cross transactions "off-exchange" without using a broker. No commissions are paid when the cross trades are executed "off-exchange."

Broker Commission Policy:

Commission costs may vary for reasons such as whether execution and research services are bundled or separately charged. Commission costs are also reflective of different commission schedules in effect in different international markets. After considering all relevant factors, Highclere 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. Research services may include information or analysis relating to companies, sectors, countries and other services that may assist Highclere in its investment decision. 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 remain competitive and reflect latest market trends.

Whilst Highclere primarily relies upon its own proprietary research Highclere will consider the availability and quality of research products and services being provided by brokers in determining commission rates. Highclere will consider employing "execution only" cash trades or program trades to invest cash inflows

where it has identified highly liquid names. In other circumstances, higher commission rates may be payable and different execution methods employed in order to invest in the less liquid stocks. The amount of commission paid to a broker is evaluated at a total level and can therefore be split between pure execution services and those services that are research related.

Highclere has entered into Commission Sharing Arrangements ("CSA's") with specific trading brokers through whom a significant volume of transactions now flows. Trades at bundled rates with these brokers will generate an amount of commission that is designated as payable for research services and an amount that is for the execution services. This commission so generated can be directed by Highclere to third-party brokers whose expertise is research. Payments will only be made for "brokerage and research" services permitted by Section 28 (e) of the Exchange Act.

Highclere does not participate in commission recapture or directed brokerage arrangements and clients that are invested in Highclere's Funds are not permitted to direct Highclere to use or allocate commissions from any broker.

Soft Dollar Policy:

It is Highclere's policy, consistent with the obligation to seek the most favorable combination of price and quality of execution, to effect transactions from time to time with brokers who provide research related products and services or to pay for research related products and services provided by non-executing brokers via Commission Sharing Arrangements ("CSA's").

All of the services and products received by Highclere 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 US Securities Exchange Act of 1934 and the so-called "permitted research" exemptions established by the Financial Services Authority governing the receipt of research and execution services from 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 Highclere's investment and portfolio managers and analysts with valuable assistance in the decision-making process. Highclere 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 Highclere's overall responsibilities to its Funds, the underlying investors in these Funds, and Clients.

Highclere does not participate in any directed brokerage relationships and we do not use so-called 'traditional' soft dollars to purchase items such as Bloomberg machines, market data, pricing information, etc. These services are purchased directly by Highclere in hard dollars.

Allocation of Investment Opportunities:

Highclere endeavours to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among its Funds or temporary separate client accounts (for purposes of this section, the "Clients").

When Highclere determines that it would be appropriate and feasible for more than one Client to participate in an investment opportunity, Highclere may place combined orders for all such Clients simultaneously and, if the order is not filled at the same price, Highclere will average the prices paid over a particular trading day or such longer period consistent with the accumulation or disposition of a particular position. Similarly, if an order is placed on behalf of more than one Client and the order cannot be fully executed under prevailing market conditions, Highclere may allocate the trade execution among different Clients on a basis that Highclere 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 realized by clients (such as transaction and foreign exchange costs triggered by certain allocations having a de minimus value) and efficiencies inherent in trade reporting. Situations may occur where a Client could be disadvantaged because they participated in the aggregate order.

Highclere anticipates that the substantial majority of its trade executions will be allocated between Clients in a pro-rata manner. Where Highclere determines that this pro-rata allocation methodology may not be in a Client's best interest or the best interests of all Clients, Highclere 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, Highclere 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.

Clients should be aware that Highclere 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 or its own accounts. Highclere is not required to accord exclusivity or priority to any one Client or group of Clients in the event of 'limited availability' investment opportunities.

Subject to certain trading restrictions outlined in Highclere's Compliance Manual and Personal Account Dealing Policy, Highclere's directors, officers, and employees may buy and sell securities (or other instruments that derive their value from securities) for their own account and/or the accounts of other related parties. Such trading may be similar to, or different from, the investment strategies pursued on behalf of Highclere's Clients and securities included in Client portfolios.

Item 13. Review of Accounts

Reviews and Reviewers:

All Funds are kept under daily review both for price and changes in fundamentals affecting the securities. All portfolios are reviewed weekly. The principal reviewer is Ed Makin, although five (5) other investment managers, Nikunj Hindocha, David Proudman, Alex Sweet, Richard Gordon and Weiying Dong, are also involved in the review process. All reviewers are equally responsible for ensuring that accounts are maintained in line with Highclere's policies and are equally responsible for all accounts.

Frequency of Regular Reports to Clients:

Clients with segregated accounts (these are ordinarily used to facilitate investment in and/or withdrawal from one of Funds) receive a monthly valuation and a schedule of transactions for their portfolios. Investors in a commingled fund receive a monthly participation statement showing selected information about their investments in the commingled fund directly from each fund's fund administrator. Such reports are ordinarily distributed on or before the third business day of each calendar month. Investors also receive audited financial statements for the Funds on an annual basis. Highclere also writes and distributes a monthly and quarterly newsletter describing the economic and financial background, the strategy adopted and the performance of the fund.

Item 14. Client and Unitholder Referrals and Other Compensation

Highclere 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 so this item is not applicable.

Item 15. Custody

Northern Trust acts as the custodian, fund administrator and custodial trustee (where required) for the Funds. The funds offered by Highclere are organised as Delaware statutory trusts and are treated as partnerships for U.S. tax purposes. With respect to these Funds, Northern Trust has been appointed as

custodial trustee and an indirect wholly owned subsidiary of Northern Trust has been appointed as Delaware trustee.

Highclere does not act as custodian for or hold any Client moneys or assets. However, because the Funds are private funds offered in the US, Highclere acknowledges that the SEC's definition of custody could be applied to it in relation to the funds. In order to ensure compliance with such a determination of custody, Highclere ensures that the funds are audited annually in accordance with US GAAP and that fund investors are provided with a copy of the financial statements within 120 days of the fund's year end. Northern Trust is solely responsible for the custody and safekeeping of the Fund's assets, performs certain administrative functions for the Fund at the direction of Highclere in accordance with each Fund's governing documents and provides certain recordkeeping and accounting services to the Funds, including the calculation of the Net Asset Value of the Funds and its units on a monthly (or more frequent) basis and the distribution of valuation statements directly to the Unitholders.

Clients pay Highclere's management fees via an automatic disposal of units to the value of the fee owed. This mechanism, though efficient for both parties, means that Highclere is deemed to have "custody" of client assets under the SEC definition. And as such, Highclere is required to provide audited financial statements to investors in the Funds. As described above, Highclere does this as a matter of course.

Item 16. Investment Discretion

Highclere does accept 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, Highclere has sole authority to determine, without obtaining specific consent, the amount of and specific securities to be bought and sold for each Client.

Item 17. Voting Client Securities

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

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 director's 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 option, management compensation, or incentive plan issues; and social and corporate responsibility considerations. The Investment Manager 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 the Investment Manager manages a portfolio company's US retirement plan assets, a portfolio company or one of its affiliates is also a brokerage counterparty to the Fund's security or foreign currency

transaction, or where the person overseeing investments at a client that is invested in one of the Investment Manager's privately offered commingled 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 the Investment Manager may not be aware of the roles performed for portfolio companies by underlying investors holding Units in the Fund or similar equity interests in the Investment Manager's other privately offered commingled funds. Unitholders are requested to notify the Investment Manager of any known affiliations with publicly traded companies that could fall within the Investment Manager's investment universe. Unitholders are also requested to notify the Investment Manager if they are actively involved in the financial services industry or affiliated or employed by an investment bank, broker/dealer, custodian or asset management firm.

The Custodial Trustee holds all Fund securities for the benefit of the Unitholders. The Custodial Trustee has outsourced certain of its proxy processing responsibilities to ISS, a leading provider of proxy voting and corporate governance services. The Custodial Trustee makes the ISS portal, together with meeting notification and ballot delivery services, agenda summaries, detailed agenda content, translation services, power of attorney maintenance, recordkeeping and custom reports, and vote instruction processing services available to Highclere. Meeting notifications are provided according to an established service level agreement in place between the Custodial Trustee and ISS and one in place between the Custodial Trustee and the Investment Manager. Highclere does not outsource any part of its proxy voting decision making process to ISS or the Custodial Trustee.

Upon receipt of proxy voting materials from ISS, Highclere staff prepare a "Proxy Voting Summary Form" of the issues. If standard issues only are included on the proxy summary then one of the investment managers may vote on the proxy. If material issues are included, enhanced procedures apply. Two or more of Highclere's investment manager's responsible for implementation will discuss the issues, assess the potential impact that the issues may have on the portfolio company and the value of the underlying investment, and decide on how to vote the proxy in question. Once approved, Highclere staff for the will process the proxy vote electronically using ISS proprietary system. A second staff member for the Investment Manager will verify the input.

In certain circumstances, Highclere may be unable to vote a specific proxy including (but not limited to) a situation when the Custodial Trustee or ISS does not provide a voting service in a given market, because the Custodial Trustee 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. Highclere 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 Highclere believes would be derived by the Fund, 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 Fund's (rather than the Custodial Trustee nominee's) name may (or may reasonably be expected to) result in a violation of local privacy laws or adversely impact the Fund's economic interests.

Unitholders are advised that when voting proxies in certain international markets, Highclere 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. Since all of Highclere's client's 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 Highclere) from voting proxies where disclosures of the Fund holdings or securities under the Highclere's control have not been made on a timely basis or in a format required under their articles of incorporation.

Unitholders may receive a quarterly summary of proxies voted or not voted and issues raised at meetings held by portfolio companies by contacting the Tax Matters Partner and asking to be included on the quarterly proxy voting distribution list.

Item 18. Financial information

Highclere does not require or solicit the prepayment of fees. Balance sheet not required.

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Part 2B Brochure Supplement: Supervised Persons

Name: Edward Llewellyn Makin
Year of Birth: 1964

Education and Degree: Royal Holloway College, London University
BA (Hons) Economics

Business Background: Highclere International Investors: January 2006 to Present
Partner, Chief Investment Officer, Portfolio Manager
Wellington Management: May 1994 to December 2005
Portfolio Manager and European Analyst

Disciplinary Info: None
Other Business: None
Additional Comp: None
Supervised by: Fergus Gilmour (per details on front page of ADV Part2)

Name: Nikunj Hindocha
Year of Birth: 1975

Education and Degree: London School of Economics & Political Science
B.Sc - Economics
London School of Economics & Political Science
M.Sc - Economics

Business Background: Highclere International Investors: May 2006 to Present
Partner, Assistant Portfolio Manager
Wellington Management: September 2003 to April 2006
Assistant Portfolio Manager

Disciplinary Info: None
Other Business: None
Additional Comp: None
Supervised by: Edward Makin (per details on front page of ADV Part2)

Name: David Garner Proudman
Year of Birth: 1981

Education and Degree: University of Oxford
M.Sc in Molecular and Cellular Biochemistry

Business Background: Highclere International Investors Limited: May 2006 to Present
Partner, Investment Analyst

Disciplinary Info: None
Other Business: None
Additional Comp: None
Supervised by: Edward Makin (per details on front page of ADV Part2)

Name: Alexander Michael Sweet
Year of Birth: 1980

Education and Degree: University of Oxford
B.A (Hons) PPE

Business Background: Highclere International Investors Limited: February 2007 to Present
Partner, Investment Analyst
Sanford C. Bernstein: March 2005 to January 2007
Research Associate

Disciplinary Info: None

Other Business: None
Additional Comp: None
Supervised by: Edward Makin (per details on front page of ADV Part2)

Name: **Richard James Gordon**
Date of Birth: 1978

Education and Degree: University of Cape Town
Batchelor of Commerce (Hons) Financial Accounting
Post Graduate Diploma in Accounting
Business Background: Highclere International Investors Limited: July 2007 to Present.
Partner, Investment Analyst
Bear Stearns International Limited: May 2005 to June 2008:
Vice President, European Equity Research
Disciplinary Info: None
Other Business: None
Additional Comp: None
Supervised by: Edward Makin (per details on front page of ADV Part2)

Name: **Weiyang Dong**
Date of Birth: 1985

Education and Degree: University of Cambridge (2007)
BA Economics
Business Background: Highclere International Investors Limited: April 2009 to Present.
Partner, Investment Analyst
December 2008 to April 2009: Career break
Macquarie Capital: August 2007 to December 2008
Business Analyst - Debt Finance
Disciplinary Info: None
Other Business: None
Additional Comp: None
Supervised by: Edward Makin (per details on front page of ADV Part2)

Name: **William Wells**
Date of Birth: 1983

Education and Degree: University of Edinburgh (2007)
MA (Hons) English Literature
Business Background: Highclere International Investors Limited: June 2011 to Present.
Employee, Investment Analyst
Lincoln International: January 2008 to April 2011
Analyst, Corporate Finance
Disciplinary Info: None
Other Business: None
Additional Comp: None
Supervised by: Edward Makin (per details on front page of ADV Part2)

Name: Susan Steele
Date of Birth: 1966

Education and Degree: St Andrews University (1988)
BSc Psychology

Business Background: Highclere International Investors: March 2006 to Present.
Partner, Director of Marketing and Client Services

Disciplinary Info: None

Other Business: None

Additional Comp: None

Supervised by: Edward Makin (per details on front page of ADV Part2)

Name: Fergus William Gilmour
Year of Birth: 1965

Education and Degree: University of Leeds
BA (Hons) Economics

Business Background: Member: Institute of Chartered Accountants England and Wales
Highclere International Investors: January 2006 to Present
Partner, Chief Operating Officer and Chief Compliance Officer

Disciplinary Info: None

Other Business: None

Additional Comp: None

Supervised by: Edward Makin (per details on front page of ADV Part2)