
International Asset Management Limited

Independent specialists in tailor-made portfolios of hedge funds since 1989

Form ADV, Part 2A

International Asset Management (IAM)
7 Clifford Street
London
W1S 2FT

IAM Research (LLC)
410 Park Avenue
Suite 520
New York
NY 10022

info@iam.uk.com

www.iam.uk.com

February 2012

This brochure provides information about the qualifications and business practices of International Asset Management (IAM). If you have any questions about this brochure please contact us at +1 212 826 1845 (US) or +44 (0)20 7734 8488 (UK). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authorities.

Additional information about IAM is also available on the SEC's website at www.adviserinfo.sec.gov.



Table of Contents

I.	Material Changes from Previous Annual Update
II.	Advisory Business
III.	Fees and Compensation
IV.	Performance Based Fees and Side-by-Side Management
V.	Types of Clients
VI.	Methods of Analysis, Investment Strategies and Risk of Loss
VII.	Disciplinary Information
VIII.	Other Financial Industry Activities and Affiliations
IX.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
X.	Brokerage Practices
	A. Selection of Broker-Dealers
	B. Soft-Dollars Arrangement
XI.	Review of Accounts
XII.	Client Referrals and Other Compensation
XIII.	Custody of Clients Cash & Securities
XIV.	Investment Discretion
XV.	Voting Client Securities
XVI.	Financial Information of the Adviser

I. Material Changes from Previous Annual Update

Not applicable.

II. Advisory Business

1. *Describe your advisory firm including how long you have been in business. Identify your principal owner(s).*
2. *Describe the types of advisory services you offer.*
3. *Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.*
4. *If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date 'as at' which you calculated the amounts.*
5. *Explain your participation in wrap fee programs.*

International Asset Management Limited (IAM) is a specialist, independent, privately owned fund of hedge funds investment management firm founded in 1989 and is an independent investment adviser registered with the United States Securities and Exchange Commission (SEC) under Section 203 of the Investment Advisers Act of 1940.

IAM Board of Directors: Morten Spenner (CEO), Albert Fuss, Anthony Forward, Andrew Gibson, Alan Djanogly, Aaron Dorr

IAM Heads of Department: Andrew Gibson, Toni King (COO, CCO), Andrew Cade, Bernard Minsky, David Lo (CFO)

IAM provides investment advisory services to certain private investment funds exempt from registration as investment companies under the Investment Company Act of 1940, as amended, the interests of which are exempt from registration under the Securities Act of 1933, as amended, pursuant to certain private placement exemptions. IAM also offers advisory management services to bespoke segregated portfolios where clients have input over investment decisions.

As at end December 2011 IAM managed advisory accounts totaling US\$599m and discretionary accounts totaling US\$1,852m.

IAM does not participate in wrap fee programs.

III. Fees and Compensation

1. *Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether fees are negotiable.*

Note: *if you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.*

2. *Describe whether you deduct fees from clients assets or bill clients for fees incurred. If clients may select either method disclose this fact. Explain how often you bill clients or deduct fees.*
3. *Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees, mutual fund expenses or brokerage fees.*

4. ***Disclose if clients either may or must pay fees in advance. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period and how the refund amount is determined.***
5. ***If the firm or any of its supervised persons accepts compensation for the sale of securities and or other investment products it must be disclosed.***

Management Fee

The Firm charges each client a management fee based on the amount of assets managed for the client. Generally the fee is between 0.75% and 1.5% of assets under management per annum in accordance with the following fee schedule.

Less than US\$10 million: 1% to 1.5% of the client's assets under management per annum

Over US\$20 Million: 0.75% to 1% of assets under management per annum

Fees are negotiable and may vary based on each client's particular needs and assets under management.

Fees are payable quarterly in arrears and generally deducted from clients' assets though clients may choose to receive a quarterly invoice rather than have their fees deducted.

Other Expenses

Clients are responsible for and do incur other expenses separate and apart from the Firm's management and performance fee. These expenses typically include custody fees, brokerage services and other transaction fees, and/or expenses associated with the investment vehicle in which their assets are invested.

Other Compensation

The Firm has agreements with certain Funds in which clients may be invested pursuant to which it may receive additional compensation from the funds for such client investments. The Firm does not consider such compensation in determining whether to invest in these funds.

IV. Performance Based Fees and Side-by-Side Management

Disclose if the firm or any of its supervised persons accepts performance-based fees. Disclose if the firm or any of its supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or asset based fee.

The Firm charges each client a performance fee based on the capital appreciation of the client's assets under management. The fee is typically 10% of investment returns per year depending on agreed hurdle rates and high watermarks. The firm does not charge other types of fees other than those described.

Side-by-side management does not apply to IAM.

V. Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

IAM clients generally comprise sophisticated, high net worth individuals and institutions. Minimum account size for a segregated portfolio is \$25 million.

VI. Methods of Analysis, Investment Strategies and Risk of Loss

1. *Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.*
2. *For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.*
3. *If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.*

Fundamentally, IAM is a qualitative investor on behalf of its clients, whereby IAM seeks to rigorously apply its high standards and expertise across its investment philosophy and process and invest in high quality managers. IAM's investment philosophy, which has remained consistent over the past 21 years, is based on the following principles:

Believers in the power of research and analyses

- Focus on the detail of each situation
- Evidence-based factual analysis and verification of statements and assertions made by managers, and also to test our own opinions
- Determine a multi-dimensional 'holistic' rationale of each manager
- Team-based application of multiple perspectives and breadth of experience
- Ability to revisit prior conclusions.

Qualitative investors in quality managers

- Final consensus-based decisions focus on a qualitative evaluation of opportunities and risks
- Investments in high quality best of breed managers demonstrating sustainable, repeatable ability to generate returns at moderate or measurable risk levels
- Search for talented, diligent managers with well defined strategies, who do not rely on financial engineering
- Ensure managers have robust, well managed risk aware business operations.

Preservation of capital

- Strong risk management frameworks applied to investment process
- Focus on avoiding significant losses to ensure long-term success in adding value
- Continuing diligent monitoring in a consistent manner to ensure initial arguments in favour of a decision are still valid.

Active and diversified portfolio management

- Deliberately seek portfolio construction benefits
- Adjust portfolios to capitalise on most opportune strategies and managers within a tolerable level of risk

- Deliberate focus on liquid managers to facilitate investment management and portfolio changes
- Pragmatic and conservative approach acknowledging that circumstances can change radically and mistakes occur and require sensible, thoughtful corrective action.

Continuous improvements

- IAM believes the world of investments will continue to evolve and consequently it is important to continuously revisit the investment process
- Continually seeking innovative solutions to client requirements
- Detailed reviews and analyses of topical strategies or market events
- Investment in training and technology.

Risk Management

IAM believes that the primary aim of risk management is to protect capital, and has directed the quantitative and qualitative assessment of fund and portfolio risk to protect against downside loss. IAM defines risk management as the ability to identify, evaluate and then monitor any risk exposures that are at work both at the strategy/market level and specifically at the underlying hedge fund level. With this multi-dimensional perspective it is possible to actively manage the risk within an investment portfolio and ultimately protect capital.

IAM seeks to mitigate risks using the following methods:

- A dedicated Quantitative Analysis and Risk Management Team responsible for managing investment and operational risk within portfolios
- A Risk and Compliance Committee sets risk policy and standards within which IAM manages portfolios
- A rigorous due diligence methodology developed over 21 years, and applied on an ongoing basis by an experienced team that ensures IAM does not invest in funds with inadequate operational controls
- The Head of Operational Due Diligence manages the operational due diligence review process whereby any operational risk taken by a hedge fund manager that is deemed unacceptable requires the reviewing Investment Analyst to recommend vetoing that fund for investment. The Head of Operational Due Diligence will then exercise that veto
- A sophisticated proprietary Risk Budgeting System that makes use of readily available data to set maximum allocation limits for any fund in any portfolio
- Frequent examination of portfolio allocations informed by attribution analysis, stress testing, back testing and testing on a forward, simulated basis
- Close communication with and transparency of hedge fund managers
- Utilising IAM's proprietary systems to monitor results and react quickly to any concerns.

Every fund is monitored on a regular basis to understand the portfolio manager's objectives and risk appetite. The Investment Analyst dedicated to monitoring that fund will then form a view as to the relative merit of the fund compared to its peers within the market and the other managers in IAM's Approved List. Any non-investment risks uncovered are considered by the Operational Due Diligence Analyst and IAM's independent Head of Operational Due Diligence, who may exercise a veto over any fund's inclusion in the Approved List if there are issues or concerns that the fund may lack the controls and standards required for institutional investment.

Using quantitative techniques such as stress testing and historic risk of loss estimation, IAM assesses the downside risk of funds and determines a risk budget for a manager. At the portfolio level, portfolios are

rigorously tested for accordance with the client objectives for returns, volatility, drawdown and or correlation, as appropriate. The results of such analyses are presented to the Portfolio Management Committee who consider the appropriateness of the portfolio composition and approve all portfolio management decisions.

VII. Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

The Firm and its supervised persons have not been involved in any legal or disciplinary events that are material to a client's or potential client's evaluation of our business or the integrity of the Firm's management.

VIII. Other Financial Industry Activities and Affiliations

If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer or other related financial industry participants that create material conflicts of interest with clients, disclose this fact and how these conflicts are addressed.

Not applicable

IX. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- 1. If you are an SEC-registered adviser briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules.***
- 2. If you or a related person recommends to clients, or buys and sells for client accounts, securities in which you or a related person has material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.***
- 3. If you or a related person invests in the same securities that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.***
- 4. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at about the same time that you or a related person buys or sells the same securities for your own account, describe your practice and discuss the conflicts of interest this presents. Describe generally how you address conflicts that arise.***

The Firm has adopted a Code of Ethics to comply with the provisions of SEC Rule 204A-1 imposing on each supervised person a duty to place the interests of clients first, and to report to the Firm any actual or potential conflict of interest. The Code of Ethics requires each officer and employee of the Firm with access to investments or portfolio information of the Firm's Clients (each an "Access Person") to report quarterly and annually theirs and their immediate family members' securities holdings and transaction to the Firm's Chief Compliance Officer. In addition, each Access Person must pre-clear any trades in initial public offerings or private placements with the Firm's Chief Compliance Officer.

The Firm provides each supervised person with a copy of this Code of Ethics and any amendments. Each supervised person is required to acknowledge, in writing, his/her receipt of those copies. In addition, each supervised person must annually recertify that he/she has re-read, understands and has complied with the

code. The Chief Compliance Officer is responsible for verifying that all supervised persons acknowledge receipt. The Chief Compliance Officer is also responsible for providing supervised persons adequate training on the principles and procedures of this Code of Ethics, such as periodic orientation or training sessions with new and existing staff to remind them of their obligations under the code.

The Code of Ethics document covers:

- Statement of general principals
- Conflicts of interest
- Prohibited purchases and sales of securities
- Reporting obligations
- Additional restrictions and requirements
- Review and enforcement
- Records
- Code of ethics training

All clients and prospective clients may obtain a copy of the Firm's Code of Ethics by writing to the Firm or calling +1 (212) 826 1845 (US) or +44 (0)20 7734 8488 (UK).

IAM is committed to remaining free of conflict-of-interest. IAM has identified and avoided the following potential conflicts-of-interest:

- Marketing of multi-manager and single manager funds at the same time. IAM does not market any single strategy funds.
- Inclusion of in-house single strategy funds in fund of hedge funds. IAM does not offer any in-house single strategy funds.
- Receipt of rebates to the fund of hedge funds manager from hedge funds (with no rebate to clients). IAM passes on ALL rebates to clients.
- Double-charging of fees when fund of hedge funds are given allocations within a fund of hedge fund. IAM does not double charge fees.
- A fund of hedge fund managers' equity ownership or revenue/profit sharing or seeding a hedge fund. IAM Only invests in hedge funds not in hedge fund firms or hedge fund revenues/profits.
- The Personal Account Dealing policy requires all staff dealing orders to be pre-approved by compliance.

X. Brokerage Practices

1. ***Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.***
2. ***Research and other soft dollar benefits - If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions, disclose your practices and discuss the conflicts of interests they create.***

Selection of Broker-Dealers

N/A

Soft-Dollars Arrangement

IAM does not enter into soft dollar arrangements.

Aggregation (Bunching) of Trades: The Firm may aggregate transactions where it believes it is in the best interests of clients to do so. The Firm has an allocation policy which ensures fair treatment between clients in respect of transactions.

XI. Review of Accounts

1. *Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.*
2. *If you review client accounts on other than a periodic basis, describe the factors that trigger a review.*
3. *Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.*

Since its inception in 1989, IAM has sought to provide its clients with a high level of service which is tailored to suit the needs of individual clients and detailed discussions are held to identify and agree those needs. IAM designates a senior member of the Investment Committee and at least one client relations representative to each segregated account client. The client relations representative is positioned to promptly respond to any queries and help deliver an appropriate and consistent level of service as well as facilitating access to IAM's senior management. Client servicing and reporting is the responsibility of the same individuals who are at the heart of the investment and portfolio management process enabling clients to be fully briefed and comfortable with the management of their investments.

Client servicing includes regular client meetings at IAM and/or the client's, or their consultant's, offices, customized reports, as well as full accessibility to IAM's senior management and the Portfolio Management, Investment, Asset Allocation and Risk Committees.

IAM prides itself on a tradition of providing the highest levels of transparency in client portfolio reporting. A standard reporting package on offer to bespoke segregated account clients includes:

- Monthly Valuation – Statement of the individual holdings detailing current market value and performance return over the previous month as well as a breakdown of the strategy allocations. Portfolio and market analysis can also be included as well as a detailed liquidity schedule. Typically provided within 15-20 business days after month end.
- Monthly Review – Complete portfolio overview and analyses of holdings including regional and strategy breakdowns and performance contribution as well as an investment analysis on the previous month. The report may also contain current and historical investment performance, additions and withdrawals, and underlying transactions. Typically provided within 18-20 business days after month end.
- Monthly Conference Calls – Call to discuss the client's portfolio performance over the previous month, any subscriptions or redemptions into/from hedge funds and market developments. Typically held within 15-21 business days after month end.
- Quarterly Review – In-depth review and analyses of the client's portfolio performance over the previous quarter including performance contribution analysis. It will also contain an overview of asset allocation and a review of changes in the portfolio and market investment outlook serving to provide a more strategic view of the portfolio. Typically held within four to six weeks after calendar quarter end, subject to the client's preference and availability.

These reports may be customized to the individual client's needs and data requests as appropriate. Segregated clients can, on request, also be provided with detailed profiles and other information on each manager in their portfolio.

Additional industry and market reporting

To complement the reporting package in relation to the client's portfolio, IAM also provides monthly news bulletins covering major hedge fund strategy trends (usually a week after month end) and on a quarterly basis an extensive review of each major hedge fund strategy in the context of the latest economic developments. IAM's reporting is further supplemented by periodic educational seminars and other events. Consultants can also be provided with a quarterly update on corporate, product and staffing developments and other relevant information.

XII. Client Referrals and Other Compensation

- 1. *If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest.***
- 2. *If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.***

Note: if you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

IAM has written solicitation arrangements with certain third parties (each a "Solicitor"). Pursuant to each arrangement, the Firm pays a referral fee to each Solicitor when they successfully introduce a client or fund investor. The amount of compensation is based on a negotiated percentage of the management fee and performance fee in respect of the funds introduced or as a negotiated level of basis points of the value of the funds introduced or maintained. The Firm may also compensate related parties for client referrals; this compensation will be in line with fee levels paid to unrelated third parties.

IAM may enter into similar solicitation arrangements in the future with other third parties. All arrangements will comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

XIII. Custody of Clients' Cash & Securities

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If clients also receive account statements from you, you must explain that the clients need to compare the account statements they receive from the qualified custodian with those they receive from you.

- The Firm does not retain custody of client funds or securities. Client assets are held at a custodian nominated by the client.

XIV. Investment Discretion

If you accept discretionary authority to manage securities on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority eg execution of power of attorney.

The Firm generally manages client assets on both a discretionary and advisory basis. For assets managed on a discretionary basis the firm typically has the authority to determine for each client what

investments are to be made and to authorize the buying and selling of securities on behalf of that client. IAM never has authority to transfer cash or assets outside of the clients' custody.

XV. Voting Client Securities

- 1. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**
- 2. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

IAM has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act. The following is a summary of its Policies and Procedures:

- i. IAM is responsible for the voting of all proxies related to securities that it manages on behalf of its Funds.
- ii. IAM believes proxy voting is included within its investment discretion and as such it will act prudently and in the Fund's best interest when voting proxies.
- iii. All conflicts of interest are resolved in the best interests of the clients.

Conflicts can arise when IAM or any of its employees has any financial, business or personal relationship with the issuer of a proxy proposal for a security held in a Fund. With respect to potential conflicts of interest, proxies will be voted in accordance with the Firm's predetermined guidelines in all instances where IAM's guidelines state a vote "for" or "against" the particular proposal.

IAM's policies describe a number of significant proxy proposals and how it will vote on these proposals. IAM generally supports the ability of the management of a company soliciting proxies to run its business in a responsible and cost-effective manner while staying focused on maximizing shareholder value. Accordingly, IAM generally votes proxies in accordance with management's recommendations. Nevertheless, IAM reserves the right to make voting decisions on a case-by-case basis and may, from time to time, vote proxies against management's recommendations.

Investors may obtain a free copy of the Firm's Proxy Voting Policy upon request by telephone at (212) 446 1760. The Firm maintains copies of all proxies and a record of how they were voted so that it may respond to any questions investors may have regarding them.

XVI. Financial Information of the Adviser

- 1. If you require or solicit prepayment of more than US\$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**
- 2. If you have the discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than US\$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

-
- 3. *If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.***

There are no financial events that have occurred to the Firm that would negatively affect its financial viability.