

Chautauqua Capital Management, LLC

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Boulder, CO 80302

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SEC Central Registration Depository #801-70567

May 18, 2012

This brochure provides information about the qualifications and business practices of Chautauqua Capital Management, LLC. If you have any questions about the contents of this brochure, please contact Amanda Prentiss, Chief Compliance Officer, at 303.541.1545 or at amanda.prentiss@chautauquacapital.com.

Additional information about Chautauqua Capital Management, LLC (hereafter referred to as CCM) also is available on the SEC's website at www.adviserinfo.sec.gov. Clients can search this site by using Chautauqua Capital Management or by the CRD number 151238. The SEC's web site also provides information about any persons affiliated with CCM who are registered, or are required to be registered, as investment adviser representatives of CCM.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. CCM is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Material Changes

The following is a summary of material changes since our last annual update on March 2, 2012:

Effective May 18, 2012, CCM relocated to a new office located at:

921 Walnut Street, Suite 250

Boulder, CO 80302

With the move to the Walnut Street location, CCM no longer occupies the office space located at:

1426 Pearl Street, Suite 201

Boulder, CO 80302

CCM's phone numbers and email addresses remain unchanged.

CCM ensures that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

You may request a copy of CCM's brochure by contacting John Lynch, Chief Operating Officer, at 303.541.1545 or at john.lynch@chautauquacapital.com.

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Advisory Business

This narrative provides information regarding CCM and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of CCM. The information in this narrative has not been approved or verified by the Securities and Exchange Commission (SEC), the State of Colorado, or by any state securities authority.

Chautauqua Capital Management, LLC was incorporated in February of 2009. The equity of the firm is owned 100% by Brian Beitner, the Managing Partner of the firm. CCM offers investment advisory services to institutions and individuals through separately managed accounts, private pooled investment vehicles (referred to as commingled funds or Limited Partnerships) and potentially via registered mutual funds and wrap accounts. CCM manages two strategies that invest in marketable securities and cash equivalents only: 1) The CCM International Growth Equity strategy invests in companies which are typically headquartered outside of the United States, and 2) The CCM Global Growth Equity strategy invests in companies around the world including those headquartered in the U.S. The International Growth Equity strategy typically invests in the equity securities of 25 to 35 companies while the Global Growth Equity strategy usually invests in the equity securities of 35 to 45 issuers. Both strategies are diversified with respect to currencies, regions and sectors. The stocks in both strategies are issued by companies that typically have mid to large capitalizations and are expected to exhibit higher than average growth. Though CCM is willing to be measured against any benchmark chosen by a client, generally the CCM International Growth Equity Strategy is measured against either the MSCI EAFE Index® or the MSCI ACWI ex-US Index®, while the CCM Global Growth Equity Strategy is measured against either the MSCI ACWI Index® or the MSCI World Index®.

CCM will provide continuous and ongoing investment management services to clients based on the individual needs of each client and will incorporate client restrictions when managing separate accounts. These agreed upon restrictions will be formalized in an Investment Limitations Grid and hardcoded into our trade order management system's compliance application prior to funding and will guide the portfolio manager when making investment decisions for the client. CCM's Chief Compliance Officer is responsible for ensuring adherence to a client's Investment Limitations Grid and for reviewing and updating client restrictions as necessary. Examples of client restrictions may include certain issuers or types of stocks held in the portfolios (e.g. 144A securities or preferred stocks).

At present, CCM is managing private client money in both strategies and has neither a registered mutual fund nor any wrap fee programs in place. If this were to change the ADV will be amended accordingly.

The amount of discretionary assets under management as of April 30, 2012 was \$106,340,979.

Fees and Compensation

Separate Accounts

The specific manner in which fees are charged by CCM is established in a client's written Investment Management Agreement with CCM. The standard fees for separate accounts are as follows:

Chautauqua Capital Separate Account

Total Client Assets Under Management

First \$25,000,000	1.00%
Remaining assets	0.65%

CCM fees for separate accounts may be negotiated based on the amount of assets under management, the amount of assets in related accounts, relationships with the client, and specific client restrictions and servicing needs. Accounts below \$25,000,000 may pay more than 1%. The exact percentage will be agreed upon and disclosed in the Investment Management Agreement prior to funding and to the provision of services. CCM may negotiate performance-based fees with clients.

Investment management fees will generally be billed quarterly in arrears based on the average monthly value of the account during the quarter as determined by the account custodian on the last day of each month during the billing period. Quarterly fees will equal one-fourth of the annual fee rate, but will be pro-rated based on the number of days that services were provided if services are not provided for an entire billing period. Fees may be automatically deducted from client accounts by the account custodian, who will then pay the fees directly to CCM. Clients must provide the custodian with written authorization to have the fees deducted from their accounts. The custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the

advisory fee. Alternatively, CCM may bill clients directly. In either case CCM will provide the client with notification that fees have been charged.

Brokerage commissions and/or transaction fees charged by the broker or custodian will be billed directly to the client. CCM will not receive any portion of such commissions or fees from the custodian or broker. In addition, clients may incur certain charges imposed by third parties other than CCM in connection with investments made through the account including, but not limited to, currency exchange fees and foreign tax withholding on dividends.

Either party may terminate services at anytime by providing written notice to the other party. Termination will be effective thirty (30) days after the written notice. If services are not provided for the entire billing period, the final fee will be pro-rated based on the number of days that services were provided prior to receipt of billing notice. Termination of services will not eliminate the liabilities or obligations of CCM or the client resulting from any transactions initiated before termination.

Limited Partnerships (Commingled Funds)

CCM will provide investment services on a discretionary basis to Limited Partnerships, that are private pooled investment vehicles, which are not registered with the SEC as investment companies. CCM serves as the general partner of these Limited Partnerships (commingled funds) and, therefore, the Limited Partnerships are not independent of CCM. Investment in the Limited Partnerships does not constitute the purchase of a security as part of a public offering that has been registered with the applicable securities regulators. Investors in the Limited Partnerships must be accredited investors and qualified clients pursuant to federal and state securities laws. A potential investor in one of the Limited Partnerships should obtain advice from an investment advisor that is independent of the Limited Partnership and CCM when deciding whether to purchase interest in a Limited Partnership managed by CCM.

CCM will be responsible for managing the Limited Partnerships' investment portfolios pursuant to the investment objectives and investment policies of the Limited Partnerships that will be stated in each Limited Partnership's private offering memorandum. CCM will determine what investments will be purchased, held, sold, or exchanged. CCM will be responsible for all major operational decisions of the Limited Partnerships and will appoint service providers to perform administrative and investor services for the Limited Partnerships. These services would include but not be limited to, calculation of the net asset value of each Limited Partnership including the financial statements, preparation of all reports to limited partners of the Limited Partnership including the IRS K-1, administration of the capital accounts of the Limited Partnership's limited partners,

transfers of Limited Partner interests and management of overhead functions for the Limited Partnerships. CCM may amend the Limited Partnership Agreement without the consent or approval of the limited partners, so long as at least sixty (60) days prior written notice of the amendment is given in advance, to all limited partners. Such amendments may be made at the absolute discretion of CCM and may involve any or all provisions of the Partnership Agreement or any other matters relating to the structure or operation of the Partnership.

CCM will maintain the Limited Partnerships' accounts at a qualified custodian(s) and provide the limited partners of the Limited Partnerships with notice of the qualified custodian(s) that are holding the Limited Partnerships' accounts. Additionally, the Limited Partnerships will engage a public accounting firm to audit each Limited Partnership at least annually and distribute audited financial statements (prepared in accordance with generally accepted accounting principles) to all limited partners within 120 days after the end of the Limited Partnership's fiscal year (December 31).

CCM will charge a monthly fee in arrears that is calculated based on a pro rata share of the Limited Partnership's net asset value held by each Limited Partner as of the close of business on the prior month's valuation date, reduced by any redemptions on such date and increased by any capital contributions on the open date immediately succeeding such prior month's valuation date (i.e., on the open date for the current month). The first business day of each month will be the Fund's "open date" and the close of business on the immediately prior business day will be the Fund's "valuation date." Redemptions and new subscriptions will occur once a month. Each Limited Partner's annual fee will be disclosed in each Limited Partner's subscription agreement and CCM may alter, reduce or waive entirely the management fee to any Limited Partner at its sole discretion. However, the standard fee schedule is as follows:

Chautauqua International Growth Equity QP Fund, LP

Total Client Fund Assets Under Management

First \$25,000,000	0.80%
Remaining assets	0.65%

Chautauqua Global Growth Equity QP Fund, LP

Total Client Fund Assets Under Management

First \$25,000,000	0.80%
Remaining assets	0.65%

The management fees will accrue as expenses of the Limited Partnerships and will be taken into account when determining each Limited Partner's account's net asset value. Accounts under \$25,000,000 may pay more than 1%. In addition to the management fees charged by CCM to the Limited Partnerships, the Limited Partnerships will also pay or reimburse CCM, as general partner, for Limited Partnership expenses incurred in connection with the business of the Partnership. These Limited Partnerships' expenses may include, but are not limited to, insurance costs, legal, administration and accounting fees, custodial fees, brokerage commissions and securities transaction costs, the expenses of printing and mailing reports to limited partners, transfer and distribution agent charges, expenses of any Partners' meetings, interest and taxes, advisory fees paid with respect to investments in any non-affiliated money market mutual fund, any and all costs incurred in connection with computing the value of the assets, any and all costs and expenses incurred in connection with the dissolution, winding up, or termination of the Partnership and any other extraordinary expenses incurred by the Limited Partnerships in their course of business. Until each of the Limited Partnerships has a total of at least \$10,000,000 in assets, CCM will bear routine legal, tax, accounting and insurance costs of the Partnership to the extent these costs exceed $1/12^{\text{th}}$ of .25% of the Partnership's Net Asset Value as of each monthly valuation date.

A limited partner may, on any valuation date redeem all or a portion of its interests with thirty (30) days written notice to CCM. Investors in the Limited Partnerships will be subject to restrictions on transferability and resale of their interest in the Limited Partnerships. Additionally, there may be specific limitations on the redemptions and withdrawals. Limited partners should refer to the Confidential Offering Memorandum and Limited Partnership Agreement for details regarding redemptions, withdrawals, transfers, and re-sales.

Performance-Based Fees and Side-By-Side Management

CCM will most likely be managing multiple types of accounts side-by-side (Limited Partnerships, also known as commingled funds, separate accounts and wrap fee programs). CCM may also negotiate performance-based fees with some clients. This could represent a conflict of interest if clients paying higher fees or if accounts in which CCM principals and employees have an investment interest, like a Limited Partnership, receive preferential treatment. In order to ensure that each type of account is treated equitably, CCM manages all accounts as closely as possible to the model portfolio (while taking into account individual client restrictions) and executes block trades across accounts whenever possible. For block trades, one order is sent to a broker with apportioned settlement

instructions for each account such that allocations from the trade are on a pro rata basis of assets under management for each account. Allocations among accounts are to be made either prior to execution or, if following execution, before the end of the trading day (though subsequent reallocations may occur in unusual circumstances). However, considerations such as lot size, existing or targeted account weightings in particular securities, account size, cash availability, diversification requirements, investment objectives, restrictions and time horizons may result in allocations that are not pro rata. In connection with multi-account purchase or sale programs, if multiple trades of the same security are made with the same broker in a single day, those securities would be allocated to accounts based on a weighted average purchase or sale price.

Non-directed (fully discretionary) equity accounts will likely trade prior to fully-directed equity accounts. Fully-directed equity accounts bind CCM to use a particular broker(s). The order by which fully-directed accounts will be traded will be determined randomly. If CCM were to participate in an Initial Public Offering (IPO) for clients who do not have IPO restrictions, allocations would be made proportionally based on assets under management. The only time this may not be the case is when allocations are so small as to make it costly and impractical to do so. In such cases, CCM will allocate IPO shares at its own discretion in the most practical way possible. Fully-directed client accounts will typically not receive IPO allocations.

CCM may, in the future, serve as a sub-advisor to a registered mutual fund which may be subject to more frequent cash flows than other types of client accounts. This may result in slightly different performance results when compared to other accounts that are also managed to a model portfolio such as mutual fund positions which are likely to need to be adjusted more frequently.

CCM will be the general partner in the Limited Partnerships or commingled funds it manages and CCM employee deferred compensation may be invested in the commingled funds. While CCM believes that it is desirable to invest alongside clients and to bind employee compensation to fund performance, we recognize that a conflict of interest could arise if the Limited Partnerships received preferential treatment. In addition to the trading policies outlined above that mitigate conflicts of interest for accounts managed “side-by-side”, CCM has a detailed Code of Ethics that requires that principals and employees of CCM, at all times, place the interests of CCM clients ahead of their own. (Please refer to “Code of Ethics”). CCM principals and employees are only able to acquire or redeem interests in the Limited Partnerships on the same dates as clients.

As a general rule, CCM does not engage in “Most Favored Nation” fee arrangements with any clients.

Types of Clients

CCM intends to provide portfolio management services to high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, public employee retirement plans, registered mutual funds, private pooled investment vehicles, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, wrap programs and other U.S. and international institutions. CCM’s initial discretionary assets under management fall into the category of high net worth individuals.

The suggested minimum account size for a separate account is \$25,000,000. In order to be included in a composite and to match the model portfolio as closely as possible, accounts must have at least \$500,000 committed.

CCM has a detailed Client Intake Policy that dictates procedures for new separate accounts and commingled fund subscriptions including, but not limited to, investor suitability and anti-money laundering. Contributions to the commingled funds are required to be deposited in a commercial bank to clear Patriot Act requirements before being accepted by the fund’s custodian bank.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategy

Under normal circumstances, CCM will invest at least 95% of its assets in equity securities of companies located in different regions around the world. The CCM International Growth Equity strategy typically excludes U.S. headquartered companies while the CCM Global Growth Equity strategy may include U.S. headquartered companies. The securities held in either strategy tend to be the stocks of medium to large capitalization companies (As of 12/31/11, the median market capitalization of companies held in the Global Growth Equity strategy was \$26 billion while the International Growth Equity strategy was \$28 billion). Stocks of companies are chosen for inclusion in CCM strategies because they are expected to appreciate in excess of market expectations.

Both strategies have concentrated positions with holdings typically ranging between 25-35 companies for the CCM International Growth Equity strategy, and 35-45 companies for the CCM Global Growth Equity strategy. Typical annual turnover in both portfolios is generally below 50%.

The benchmark for the CCM International Growth Equity strategy is generally either the MSCI EAFE Index® or the MSCI ACWI ex-U.S. Index®. For the CCM Global Growth Equity Strategy, it is generally benchmarked against either the MSCI ACWI Index® or the MSCI World Index®.

CCM utilizes both a top-down and a bottom-up approach to determining which securities to purchase. CCM portfolios tend to have higher average profits growth rates, better profitability and less debt than their benchmarks, but often trade at a premium valuation to the broad market.

CCM invests primarily in common stocks but may also invest in other equity securities (including preferred stocks and their equivalent). In addition, CCM may invest in foreign issuers through foreign ordinary shares, American Depositary Receipts (ADR), Global Depositary Receipts (GDR), European Depositary Receipts (EDR) and other similar investment instruments.

CCM could use derivative instruments, including forward foreign currency contracts, options, futures, Exchange Traded Funds (ETF) and certain other derivative instruments. Such instruments would principally be used for hedging and risk management purposes, including hedging the international stock investments from the risk of a strong U.S. dollar. Such instruments may also be used to serve as a substitute for underlying securities or currency positions to enable market participation or provide liquidity.

Risk of Loss

Principal Risks

Investments in the strategies managed by CCM, either through separate accounts, private pooled investment vehicles or any other form, involve various risks, including the risk that an investor can lose capital. Although CCM strives to attain its investment objectives through its research and portfolio management skills, there are no guarantees of successful performance, that the objectives will be reached nor that positive returns can be achieved. As a general rule, investors can expect that investments with higher return potential will also have higher potential risk of loss to capital and/or income. In addition, client account investments may fluctuate in market value from day to day. In other words, the value could go down as well as up. An investment in a CCM strategy does not constitute a deposit at

any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency. You may lose money by investing in CCM's strategies.

Market Risk

Market risk involves the possibility that your security holdings will decline in value because of a general decline in the market. Securities markets generally move in cycles, with periods of rising prices followed by periods of falling prices. The value of your security holdings will tend to increase or decrease in response to these movements.

Foreign Investment Risk

Compared with investing in the United States, investing in foreign markets involves a greater degree and variety of risk. Investors in foreign markets may face delayed settlements, currency controls and adverse economic developments as well as higher overall transaction costs. In addition, fluctuations in the U.S. dollar's value versus other currencies may enhance, erode, reverse gains or widen losses from investments denominated in foreign currencies. For instance, foreign governments may limit or prevent investors from transferring their capital out of a country. This may affect the value of your investment in the country that adopts such currency controls. Exchange rate fluctuations also may impair an issuer's ability to repay U.S. dollar denominated debt, thereby increasing the credit risk of such debt. Finally, the value of foreign securities may be affected by incomplete or inaccurate financial information about their issuers, smaller and less liquid securities markets, social upheavals or political actions ranging from tax code changes to governmental collapse.

Political Risk

Because CCM is investing in companies headquartered outside of the U.S., the CCM International Growth Equity and CCM Global Growth Equity strategies are subject to foreign political risks such as the potential risk of investment losses attributable to unfavorable governmental or political actions could include seizure of foreign deposits, changes in tax or trade statutes, governmental collapse, and war.

Non-Diversification Risk

CCM may invest a greater percentage of client assets in a single stock, and thereby have greater exposure to risks associated with an individual issuer than a manager with a larger number of holdings. Because the portfolios are constructed with higher average weightings, so as not to dilute the potential return contributions from an individual

holding, if a stock does not perform well, the negative impact will be greater on the portfolio than it would otherwise be if the portfolio were less concentrated.

The CCM International Growth Equity strategy and the CCM Global Growth Equity strategy alone are not intended to satisfy an investor's entire portfolio diversification needs.

Hedging Risk

When a derivative (a security whose value is based on that of another security or index) is used as a hedge against an opposite position, any loss on the derivative should be substantially offset by gains on the hedged investment, and vice versa. Although hedging can be an effective way to reduce the investment risk, it may not always perfectly offset one position with another. As a result, there is no assurance that hedging transactions will be effective.

Investment Style Risk

The risk that the particular type of investment on which CCM focuses may underperform other asset classes or the overall market.

Transaction Risk

Though turnover is relatively low for both the CCM International Growth Equity and the CCM Global Growth Equity strategies, CCM may, in certain market environments, trade securities more actively which could increase its transaction costs (thereby lowering its performance) and may increase the amount of taxes that you pay on your investment.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be relevant to your evaluation of them or the integrity of their management. In this regard CCM has no legal or disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

CCM is the general partner for Limited Partnerships serving as private pooled investment vehicles or commingled funds. In addition to providing investment supervisory services to the Limited Partnerships, CCM, as the general partner of the Limited Partnerships, also

offers investments within the Limited Partnerships for accredited investors/qualified clients in accordance with applicable securities laws, manages the Limited Partnerships making all major decisions and provides administrative and investor services to the limited partners. This could represent a conflict when discussing the purchase of Limited Partnership interests in the Limited Partnerships. Although other investment advisors may have been available to the Limited Partnerships, the investment advisory agreement between CCM and the Limited Partnerships was not negotiated on an “arm’s length” basis due to the affiliation between CCM and the Limited Partnerships.

Code of Ethics

CCM has a Code of Ethics in order to be compliant with SEC Rule 204A-1, but also to protect its most valuable asset: a reputation for professionalism and integrity. It is written to ensure that CCM is in compliance with all federal and state regulations and is based on the belief that the principals and employees of CCM owe a fiduciary duty to the firm’s clients. It requires that principals and employees, at all times, place the interests of CCM clients ahead of their own; that personal investment transactions are conducted in a manner that avoids any actual or potential conflicts of interest; that client information remain confidential; that there is compliance with all federal securities laws and CCM policies; that communications with clients or prospective clients be candid and complete; that independence in investment decision making be paramount; and that decisions affecting clients are to be made with the goal of providing equitable and fair treatment among them. A violation of any part of the Code of Ethics is grounds for termination. CCM principals and employees are required to certify their compliance with CCM’s Code of Ethics on an annual basis or as amended. A copy of CCM’s Code of Ethics is available upon request.

The Code of Ethics deals with the potential conflicts of interest with respect to personal trading accounts. It is possible that principals or employees of CCM may buy or sell, in their personal accounts, the same securities held in a client account. However, trades in non-exempt securities must be pre-approved by CCM’s Chief Compliance Officer and blackout dates are in place to avoid situations whereby trades of a principal or employee of CCM could negatively impact a client account. Nonetheless, because the Code of Ethics, in some circumstances, would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee or principal of CCM. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Chautauqua Capital Management, LLC and its clients. In addition to formally requesting permission for

personal investment transactions, principals and employees of CCM are required to submit, for audit, their personal quarterly brokerage statements to the CCO as well as provide an Annual Holdings Report.

The Code of Ethics requires that CCM and its associated persons remain in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. CCM forbids any associated person, either personally or on behalf of others, from trading on material, non-public information or to communicate such information to others in violation of the law. It outlines procedures for creating a “Chinese Wall” to prevent the dissemination or improper use of such information. The Code of Ethics also requires that all principals and employees disclose any board memberships, outside employment or service on creditors’ committees and seek approval before joining a new board or committee in order to avoid any conflicts of interest.

Because gifts and/or entertainment offered to employees or principals of CCM from broker-dealers, potential clients, or other parties may provide the actual or apparent potential for a conflict of interest affecting fiduciary duties and independent judgement on behalf of CCM’s clients, the Code of Ethics limits the value of gifts or entertainment received, whether to the principal/employee or to his or her family, friends or designees.

CCM requires principals and employees to disclose political contributions on an annual basis and has policies in place to prevent contributions that would exclude CCM from receiving management fees from government entities for which it manages money.

CCM serves as the general partner for the Chautauqua International Growth Equity QP Fund, LP, and the Chautauqua Global Growth Equity QP Fund, LP. CCM may recommend to clients that they invest in these Limited Partnerships. CCM as the general partner of the Limited Partnerships will only recommend these investments to suitable investors that are accredited investors/qualified clients under applicable securities laws and regulations. However, potential investors in the Limited Partnerships should be aware that a conflict of interest exists since investments in the Limited Partnerships directly benefit CCM or its affiliated persons. Principals of the Limited Partnerships may participate in Limited Partnerships alongside clients that are managed by CCM. Limited partners may include principals and employees of CCM, as well as investment management accounts or other investment vehicles for which CCM acts as investment advisor. The Limited Partnership accounts will trade in the same securities as other client accounts on an aggregated basis. Please refer to the section entitled Performance-Based Fees and Side-by-Side Management which details how CCM manages potential conflicts of interest arising from “Side-by-Side Management”.

Brokerage Practices

CCM has the discretion to select the broker-dealers to be used to implement transactions for the strategies it manages unless a client has stipulated a directed brokerage requirement in its Investment Management Agreement. Listed equity securities are normally purchased through brokers in transactions executed on securities exchanges involving negotiated commissions. Unlisted equity securities would be purchased from a primary market maker (also known as a dealer) acting as principal on a net basis without a stated commission but at prices generally reflecting a dealer spread. Securities may also be purchased in underwritten offerings at fixed prices which include discounts to underwriters and/or concessions to dealers. In placing trades, CCM seeks to obtain the best execution, taking into account such factors as price (including the applicable dealer spread or commission, if any), size of order, difficulty of execution, operational facilities of the firm involved and the firm's risk in positioning a block of securities.

Consistent with its policy of securing best execution, in selecting broker-dealers and negotiating any commissions or prices involved in client and Limited Partnership transactions, CCM considers the range and quality of the professional services provided by such firms. Brokerage services include the ability to most effectively execute large orders without adversely impacting markets and positioning securities in order to enable CCM to make orderly purchases or sales for clients or Limited Partnerships. Accordingly, transactions may not always be executed at the lowest available commission. In addition, CCM may execute trades which cause the client or the Limited Partnership to pay a commission in excess of a commission that another broker-dealer would have charged if CCM first determines that such a commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer to the client and to the Limited Partnership.

Research services for which CCM may be willing to pay slightly higher commissions include such items as reports on industries and companies, economic analysis and review of business conditions. They also include advice from broker-dealers as to the value of securities, availability of securities, availability of buyers and availability of sellers. In addition, broker-dealers may provide CCM access to the management personnel of companies CCM is invested in or considering for investment. Research services furnished by broker-dealers may be used in providing investment services for any or all of the clients of CCM as well as the Limited Partnerships managed by CCM, and may be used in connection with accounts other than those which pay commissions to the broker-dealers providing research services.

In no case are brokerage expenses used by CCM to pay for “soft-dollar” services.

CCM will maintain an internal allocation record of broker-dealers who provided it with research services and will endeavor to place sufficient trades with them to ensure the continued receipt of research services CCM believes are useful. In order not to compromise best execution, when CCM compensates brokers for products or services that are used for research, it makes a good faith allocation of liquid market-order trades.

If a client directs CCM to use a particular broker-dealer, CCM may not be able to obtain the best prices and execution for the transaction. Clients who direct the use of a particular broker-dealer may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker-dealer. Further, clients with directed brokerage arrangements will not be able to participate in aggregate trades (i.e. block trades) and directed trades may be placed by CCM after effecting non-directed trades. Finally, clients with directed brokerage accounts are unlikely to be able to participate in IPOs.

To avoid any potential conflicts of interest CCM does not execute cross trades.

Please refer to the section “Performance Fees and Side-by-Side Management” for a summary of trade orders and allocations for different types of accounts managed by CCM.

Review of Accounts

CCM continuously monitors portfolio holdings and applies its investment disciplines as it deems appropriate and in line with its fiduciary duty to clients. In addition, official Investment Review Committee meetings are held quarterly. Separate account clients will receive statements quarterly. The clients of the Limited Partnerships will receive statements at least quarterly from the account custodian and/or fund administrator. CCM will provide separate account clients and the Limited Partnerships with a quarterly market commentary. The Limited Partnerships distribute these commentaries to their limited partners. Additionally, each Limited Partnership will engage a public accounting firm to audit the Limited Partnership at least annually, and distribute audited financial statements (prepared in accordance with generally accepted accounting principles) to the limited partners within 120 days after the end of the Limited Partnership’s fiscal year.

The performance record for the CCM International Growth Equity and the CCM Global Growth Equity strategy composites will also be independently verified and examined to ensure compliance with Global Investment Performance Standards (GIPS®). CCM’s GIPS® performance presentations and disclosure documents are available upon request.

Client Referrals and Other Compensation

CCM principals and employees do not have any arrangements, oral or in writing, where cash or some other economic benefit (including commissions, equipment or non-research services) is received from a non-client in connection with giving advice to clients. CCM principals and employees do not compensate, directly or indirectly, any person or firm for client referrals.

Custody

CCM does not physically custody client assets.

Separate account clients will appoint their own qualified custodian(s) and should receive at least quarterly, statements from the custodian that holds and maintains the client's investment assets. CCM urges you to carefully review such statements and compare such official custodial records to the account statements that CCM provides to you. CCM statements may vary from custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities. For the Limited Partnerships, CCM will appoint a custodian. The fund administrator will send statements directly to clients at least quarterly. CCM urges you to carefully review such statements.

Investment Discretion

Upon the signing of an Investment Management Agreement CCM usually receives discretionary authority from the client to select the securities and the amounts to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account and in keeping with CCM's fiduciary duty as outlined in the Code of Ethics.

CCM will observe the investment policies, limitations and restrictions of the client when selecting securities and determining amounts to buy and sell. For sub-advised mutual funds, also known as Registered Investment Companies, CCM's authority to trade securities may also be limited by certain federal securities laws that require compliance with additional diversification rules.

Client investment limitation guidelines and restrictions must be provided to CCM in writing prior to funding.

Voting Client Securities

CCM will vote proxies on the investments under its supervision. The portfolio manager must comply with the proxy voting requirements set forth in the client's Investment Management Agreement, the Limited Partnership offering document, or other governing documents. When voting proxies, CCM's utmost concern is that all decisions be made solely in the interests of the client and the Limited Partnership with the goal of maximizing the investment value of the client's and the Limited Partnership's holdings. In order to provide a basis for making decisions in the voting of proxies for its clients, CCM has adopted proxy voting guidelines and procedures. The specific proxy voting guidelines set forth in CCM's Portfolio Management section of the Policy & Procedures Manual cover various categories of voting decisions and generally specify whether CCM will vote for or against a particular type of proposal.

Portfolio managers do have the authority to override the proxy voting guidelines established by CCM if he or she believes it will enhance the economic value of the clients' assets. If this were to happen, the request would be made in writing and would need to be approved by the CCM Proxy Committee. CCM uses an outside proxy voting service to help manage the proxy voting process. The outside service provider facilitates CCM's proxy voting according to CCM's guidelines and helps to maintain CCM's proxy voting records.

It is unlikely that serious conflicts of interest will arise in the context of CCM's proxy voting because CCM does not engage in investment banking or the managing or advising of public companies and because the proxy policy states that votes must be cast solely in the interest of maximizing the value of client holdings. If the portfolio manager would like to override a vote in the following situations, CCM will determine if there is a conflict of interest and take appropriate action.

- If CCM were hired to manage investments for a publicly traded company and held the securities of that company, it may be in the best interest of that client to vote with management. A proxy vote may be decided on a case by case basis for a specific client that may be different for other clients.
- If the issuer soliciting the proxy votes is a client of CCM and the relationship is deemed to be material (if the assets managed for that client exceed 10% of

the total assets under management by CCM), CCM will refer the vote to the outside, independent proxy voting service.

- If a principal or employee of CCM sits on the board of a public company that is soliciting the proxy vote and if the board member is the portfolio manager or if there has been communication between the portfolio manager and the board member, then the vote will be determined by the Proxy Committee and the rationale for the vote will be recorded. This is unlikely because no CCM employee is currently a director of a public company and such service is discouraged.
- If the issuer were an affiliate of CCM, CCM would refrain from exercising its discretion and refer the vote to its outside, independent proxy voting service. This is unlikely to be the case as CCM is unaffiliated with any other company.

While CCM's proxy voting guidelines are identical for both international and domestically headquartered companies, international proxies have the potential to be more difficult due to potential language translation and thus are costlier to vote. In some cases, transmission of the proxy does not reach CCM in time for CCM to cast a vote. As a result, CCM considers international proxy voting on a case by case basis. CCM will make every effort to vote international proxies that are deemed to be economically beneficial to the value of portfolio securities.

Clients may receive a complete copy of CCM's Proxy Voting Policy & Procedures as well as information on how the individual client or Limited Partnership's proxies were voted upon request.

With respect to class action lawsuits or opt out rights, for separate accounts or wrap accounts, CCM will not take responsibility for filing notices on opt outs or Proofs of Claim, but CCM will notify the separate account's custodian of any opt out or Proof of Claim it receives on a best efforts basis. For the Limited Partnerships, CCM will direct the custodian to file Proofs of Claim, unless CCM has decided to opt out of the class.

Financial Information

CCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.