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## Firm Brochure | Part 2A Form ADV

March 30, 2012

### ITEM 1 -- Cover Page

This brochure provides information about the qualifications and business practices of Polar Capital (America) Corporation. If you have any questions about the contents of this brochure, please contact us at 011 44 20 72272700 or [boura.tomlinson@polarcapital.co.uk](mailto:boura.tomlinson@polarcapital.co.uk). 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. Registration as an investment adviser with the SEC does not imply that the adviser possesses a certain level of skill or training. Additional information about Polar Capital (America) Corporation, also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 -- Material Changes

This Brochure has been updated to reflect that the firm has been engaged as a subadviser to one additional private fund, Polar Capital European Conviction Fund Limited. The most recent annual update of this Brochure was dated June 29, 2011.

ITEM 3 -- Table of Contents

ITEM 1 -- Cover Page.....	i
ITEM 2 -- Material Changes.....	ii
ITEM 3 -- Table of Contents .....	iii
ITEM 4 -- Advisory Business .....	1
ITEM 5 -- Fees and Compensation.....	2
ITEM 6 -- Performance-Based Fees and Side-By-Side Management .....	2
ITEM 7 -- Types of Clients.....	3
ITEM 8 -- Methods of Analysis, Investment Strategies, and Risk of Loss .....	3
ITEM 9 -- Disciplinary Information .....	8
ITEM 10 -- Other Financial Industry Activities and Affiliations .....	8
ITEM 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	8
ITEM 12 -- Brokerage Practices .....	9
ITEM 13 -- Review of Accounts .....	11
ITEM 14 -- Client Referrals and Other Compensation.....	12
ITEM 15 -- Custody.....	12
ITEM 16 -- Investment Discretion.....	12
ITEM 17 -- Voting Client Securities .....	12
ITEM 18 -- Financial Information .....	13

#### ITEM 4 -- Advisory Business

- A. **Firm Description.** Polar Capital (America) Corporation (“Polar America”) is an investment management firm located in Darien, Connecticut. The firm is a corporation formed under the laws of Delaware. It is a subsidiary of Polar Capital Partners (Jersey) Limited, a subsidiary of Polar Capital Partners Limited, a subsidiary of Polar Capital Holdings PLC, a public company whose shares are listed on the London Stock Exchange (“Polar Holdings”). Approximately forty-five percent of the equity interests of Polar Holdings is held by or reserved for directors, management and employees of Polar Holdings and its subsidiary companies, including Polar America. Polar America is regulated by the U.S. Securities and Exchange Commission. Polar America has been registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940 (“Advisers Act”) since October 19, 2010. An affiliate, Polar Capital LLP in London, England (“Polar Capital”), is also registered with the SEC as an investment adviser. Polar Capital provides support services to Polar America. See Item 10.
- B. **Advisory Services.** Polar America offers fundamental research driven investment advisory services. Polar America serves as a sub-adviser to Polar Capital, as the investment manager to the Polar Alva Global Convertible Fund Limited and Polar Capital European Conviction Fund Limited (the “Served Polar Funds”). Polar Capital offers fundamental research driven investment advisory services to professional and institutional investors through a range of geographic and sector investment funds which it offers and manages (“Polar Funds”) and managed accounts. Polar Funds are organized in jurisdictions outside the United States and are not registered as investment companies under the Investment Company Act of 1940. However interests in certain of the Polar Funds are offered to certain pre-qualified U.S. persons who must be “Qualified Purchasers” as defined by Section 2(a)(51) of the Investment Company Act. Such offerings are made only in private placements pursuant to exemptions under the Investment Company Act and the Securities Act of 1933. Each Polar Fund itself is a Qualified Purchaser. This Brochure describes only the investment advisory services that Polar America provides to Polar Capital for the Served Polar Funds. At any point in time interests in the Funds may be offered to existing and new investors in the U.S. who are Qualified Purchasers. As sub-adviser, Polar America provides investment supervisory services to the Served Polar Funds, which are considered “Hedge Funds,” as described more fully below.

**Hedge Fund.** An alternative investment vehicle only available to sophisticated investors such as institutions and individuals with significant assets that is designed to protect investment portfolios from market uncertainty, while seeking positive returns in both up and down markets.

**Polar Capital Alva Global Convertible Fund Limited.** A company incorporated with limited liability under the laws of the Cayman Islands with registered number CR-246710 that is registered as a regulated mutual fund with the Cayman Islands Monetary Authority, having several share classes whose Participating Shares are admitted to the Official List for trading on the Main Securities Market of the Irish Stock Exchange.

Polar Capital is the investment manager to the Fund; Polar America is the sub-adviser to Polar Capital. Investment objective/strategy: to generate positive returns with low volatility through a variety of investment and trading strategies, primarily in the global convertible market.

**Polar Capital European Conviction Fund Limited.** A company incorporated with limited liability under the laws of the Cayman Islands with registered number HL 163690 that is registered as a regulated mutual fund with the Cayman Islands Monetary Authority whose Participating Shares are admitted to the Official List for trading on the Main Securities Market of the Irish Stock Exchange. Polar America is the co-manager to this fund with Polar Capital. Investment objective/strategy: to achieve positive absolute returns in each calendar quarter, irrespective of overall equity market conditions, by investing predominantly in European equity securities.

- C. Assets under Management. Polar America's assets under management as of March 28, 2012 are U.S.\$162,714,580.

#### ITEM 5 -- Fees and Compensation

Each Served Polar Fund pays Polar America and Polar Capital a management fee of up to two percent annually and a performance fee (see Item 6), as specifically described in the Fund's prospectus. An initial fee of up to 5 percent of the subscribed amount may be payable by subscribers of New Participating Shares in the Fund. The initial fee will be payable to the extent that the fees and expenses of intermediaries need to be met, if not waived by the directors of the Fund. In addition redemption fees may be charged under certain circumstances, including transfers from one class of the Fund's shares to another class.

Fees are typically computed on a regular basis by the administrator of the Fund, and paid to Polar America as specified in the governing investment management agreement. Polar America cannot automatically deduct fees from client accounts, although the investment management agreement generally authorizes payment from the client account. The Fund also incurs brokerage, custodial, administration, audit and other costs and expenses, as described in its prospectus.

Employees of Polar America and its affiliates may invest in the Funds and in other Polar Funds, and in the case of portfolio managers and analysts, are encouraged to invest in the funds they manage.

#### ITEM 6 -- Performance-Based Fees and Side-By-Side Management

Each Served Polar Fund pays Polar America and Polar Capital a performance fee, calculated in arrears on the performance growth of the assets in the fund. The performance fee is calculated at a flat 15% of Class A shares and a flat 20% of Class B, C, and D shares of the growth of the fund in the past year. If in the future and to the extent that Polar America also manages accounts that charge only management fees, Polar America may have a conflict of interest in that an account with a performance-based fee will offer the potential for higher profitability when compared to an account

with only a management fee. Performance-based fee arrangements may create an incentive for Polar America to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance-based fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the devotion of time and resources and the allocation of investment opportunities. Polar America addresses such conflicts through its policies and procedures incorporated in the Polar Capital Compliance Manual and Employee Handbook and its oversight processes. (See Items 11, 12 and 13.)]

#### ITEM 7 -- Types of Clients

As sub-adviser to Polar Capital, Polar America provides its services to the Served Polar Fund, which are institutional investors. Investors in the Fund include individuals, banking or thrift institutions, investment companies (including mutual funds), pension and profit-sharing plans, pooled investment vehicles (such as hedge funds), collateralized debt obligations (CDO's), charitable organizations, trusts and estates, corporations and other business entities, and state or municipal government entities. Certain employees of Polar America and its affiliates invest in the Served Polar Funds. U.S. persons must be Qualified Purchasers in order to invest in the Fund. The Fund requires investors to make representations concerning investors' eligibility, sophistication, awareness of the inherent risks and ability to bear the risk of loss of their entire investment. The Fund reserves the right to reject any investor application. Polar America does not currently offer managed account services to U. S. persons.

#### ITEM 8 -- Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis. Polar America employs various methods of securities analysis, including charting, cyclical, fundamental, technical, macro-economic and quantitative investment modeling. Sources of information relevant publically filed financial and reporting documents, such as annual and periodic reports and other filings with regulators and exchanges, investment conferences, interviews with company managements and participation in public phone calls held by companies for investors and analysts, review of relevant trade journals, industry publications, investment banking and other investment industry research reports, industry trade conferences and other events, company press releases and websites, internal and external assessments, analysis of general and specific events and other sources of material deemed relevant.

No method of securities analysis will necessarily result in a particular investment result or outcome; the use of investment tools cannot guarantee investment performance. Polar America's methods of analysis involve inherent risk that any valuations, pricing inefficiencies or other opportunities identified may not materialize or have the anticipated impact. Prices of securities may not react as expected or predicted. Each method of analysis relies in varying degrees on external information which presents the risk that analysis may be compromised by inaccurate, incomplete, false, biased or misleading information. Securities prices may be affected by various factors, such as overall market movement or natural disasters, independent of the methodology used to select securities.

Certain analytical techniques involve the use of mathematical models that are based on assumptions that may prove incorrect, unreasonable or incomplete.

**Investment Strategies.** Investment strategies used to implement investment decisions include investments in the global convertible market, long term investments; short term investments; trading activities; hedging activities; investments in specific sectors and geographic regions or countries; investments in fixed income, absolute return, value, and growth securities; long/short portfolios; short sales and margin transactions. The strategies of each Served Polar Fund are disclosed in its prospectus and related materials and reports to investors.

**Principal Investment Risks.** Polar America's investment strategies involve various material risks, as outlined in the summary below. Certain risks may not apply to all strategies or apply to a material degree. Each investor in a Served Polar Fund must read the fund prospectus and related material for further information on the risks associated with a particular fund.

**Risk of Loss.** Investing in securities involves risk of loss, including possible loss of principal.

**Convertible Securities Risk.** A convertible security typically provides the holder of the security the option to exchange the security for another asset, generally a fixed number of shares of common stock. Convertible issues are frequently fixed income securities such as debentures and preferred stock. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, the convertible security's market value tends to reflect the market price of the common stock of the issuing company when that stock price is greater than the convertible's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the underlying common stock declines (other than in distressed situations), the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities would generally be paid after the company's creditors, but before the company's common stockholders. Consequently, an issuer's convertible securities generally entail more risk than its debt securities, but less risk than its common stock.

**Equity Market Risk.** Equity securities, such as common stocks, preferred stocks, convertible securities, rights, warrants and depositary receipts are subject to market risks that may cause their prices to fluctuate over time. Historically the equity markets have moved in cycles and the value of a specific strategy's securities may fluctuate substantially from day to day, and during other periods of time.

**Fixed Income Securities Risk.** Fixed income securities include traditional debt securities issues by corporations, special purpose vehicles and government entities, such

as bonds, notes and debentures, and debt securities that are convertible into common stock and interests. The market value of fixed-income securities is sensitive to changes in interest rates. In general, when interest rates rise, the fixed-income security's market value declines and when interest rates decline, its value rises. Normally, the longer the remaining maturity of a security, the greater the effect of interest rate changes on the market value of the security. Fixed income securities are subject to the credit risk of the issuer. Changes in the ability of an issuer to make payments of interest and principal and in the market's perception of an issuer's creditworthiness affect the market value of the fixed-income securities of that issuer.

Fixed-income securities may also be subject to yield-curve risk. When the yield curve shifts, the price of a bond, which was initially priced based on the initial yield curve, will change. Keeping the duration of the bond portfolio relatively short reduces yield curve risk.

Fixed-income securities may also be subject to call risk. When interest rates are low, issuers will often repay the obligation underlying a "callable security" early, in which case the proceeds may have to be reinvested in an investment offering a lower yield, thereby losing the benefit that otherwise might have resulted in an increased value in the called security due to declining interest rates.

Fixed-income securities are subject to inflation risk, liquidity risk and reinvestment risk. Inflation may erode the purchasing power of the cash flows generated by fixed-income securities. Fixed-rate debt securities are more susceptible to inflation risk than floating-rate debt securities. Liquidity risk means that certain fixed-income securities may be difficult to sell at the time and price desired. Reinvestment risk occurs when the interest income or principal payments from debt securities is reinvested at interest rates that have declined. A decline in income may affect overall return.

**Foreign and Emerging Market Risk.** Foreign securities involve risks in addition to those associated with U.S. securities, including exposure to less developed or less efficient trading markets; social, political, or economic instability; fluctuations in foreign currencies; nationalizations or expropriation of assets; settlement, custodial or other operational risks; and less stringent auditing and legal standards. As a result, foreign securities can fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities, and foreign markets can perform differently than U.S. markets. World markets may all react in similar fashion to important economic or political developments. Investing in emerging market countries involves additional risks such as increased volatility of individual securities and the markets themselves, along with less liquidity than securities of issuers in countries with more developed economies or markets.

**Market Capitalization Risk. (Small-, Mid- and Large-Cap Stocks Risk).** Small-, mid-, or large-cap stocks, each have associated risks. Compared to small- and mid-cap companies, large-cap companies may be less responsive to changes and opportunities. At times, the stocks of larger companies may lag other types of stocks in performance. The stocks of small- and mid-cap companies are often more volatile and less liquid than the



stocks of larger companies and may be more affected than other types of stocks by the underperformance of a sector or during market downturns. Compared to large-cap companies, small and mid-cap companies may have a shorter history of operations, and may have limited product lines, markets or financial resources.

**Issuer Specific Risk.** The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**Sector Risk.** Performance of investments in particular sectors will be especially sensitive to developments that significantly affect those sectors. Individual sectors may move up and down more than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events.

**Growth Stock Risk.** Because the prices of most growth stocks are based on future expectations, these stocks tend to be more sensitive than value stocks to bad economic news and negative earnings surprises. Bad economic news or changing investor perceptions can negatively affect growth stocks across several industries and sectors simultaneously.

**Value Stock Risk.** Value stocks may remain undervalued during a given period or may not ever realize their full value. This may happen, among other reasons, because of a failure to anticipate which stocks or industries would benefit from changing market or economic conditions.

**Illiquidity Risk.** A strategy may hold securities that are illiquid and cannot be transferred or redeemed for a substantial period of time, and there may be little or no near-term cash flow available to investors in the interim. Likewise, a portfolio may not receive any distributions representing the return of capital on an illiquid security for an indefinite period of time.

**Brokerage Commissions/Transactions Costs/High Portfolio Turnover Risk.** A high portfolio turnover rate increases transaction costs, including brokerage commissions and dealer cost). Additionally, there is the risk that a broker may become insolvent, which could lead to a lower return and adversely impact the strategy's performance. Further, higher portfolio turnover may result in the realization of more short-term capital gains than a lower portfolio turnover.

**Concentration of Investments.** A high percentage of investment in the assets in any one issuer could increase the risk of loss and volatility, because the value of issue holdings would be more susceptible to adverse events affecting the issuer.

**Investment Strategy and Portfolio Management Risk.** There can be no assurance that an investment strategy will produce an intended result, which would result in losses to an investor, including, potentially, a complete loss of principal. The performance of a strategy depends on the skill of Polar America and its portfolio manager(s) in making appropriate investment decisions.

**Short Selling.** The Served Polar Funds may engage in short selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in securities. There can be no assurance that the security necessary to cover a short position will be available for purchase, nor that the price of the underlying security will not increase, thus increasing the cost of buying those securities to cover the short position.

### **Hedge Fund Risk.**

- **Leveraged and Speculative Investments.** An investment in hedge funds is speculative and involves a high degree of risk. Hedge funds commonly engage in swaps, futures, forwards, options and other derivative transactions that can result in volatile fund performance. Leveraging may increase risk.
- **Limited Liquidity.** There are limited channels in the secondary market through which investors can attempt to sell and/or purchase interests in hedge funds. An investor's ability to transact business in the secondary market is subject to restrictions on transferring interest in hedge funds, and hedge funds may suspend or limit the right of redemption under certain circumstances. Thus, an investment in hedge funds should be regarded as illiquid.
- **Absence of Regulatory Oversight.** Hedge funds are not required to be registered under the Investment Company Act of 1940; therefore hedge funds are not subject to the same regulatory requirements as mutual funds.
- **Dependence upon Investment Manager.** The general partner or manager of a hedge fund normally has total trading authority over its respective fund. The use of a single advisor applying generally similar trading programs could mean the lack of diversification and consequently, higher risk.
- **Foreign Exchange.** Hedge funds may execute a portion of their trades on foreign exchanges. Material economic conditions and/or events involving those exchanges may affect future results.
- **Fees and Expenses.** Hedge funds often charge high fees including performance fees; such fees and expenses may offset.
- **Complex Tax Structures.** Hedge funds may involve complex tax structures and delays in distributing important tax information.

- **Business and Regulatory Risks of Hedge Funds.** Legal, tax and regulatory changes could occur during the term of a hedge fund that may adversely affect the fund or its managers.

**Fund Specific Risks.** The prospectus of each Served Polar Fund contains explanation and details of risks which investors must read and consider.

#### ITEM 9 -- Disciplinary Information

As of March 30, 2012, there are no legal or disciplinary actions involving Polar America or any of its affiliates.

#### ITEM 10 -- Other Financial Industry Activities and Affiliations

Polar America and its affiliates may recommend that investors in a Polar Fund, including the Served Polar Funds, consider investing in other Polar Funds in which Polar America and its affiliates have a financial interest by virtue of serving as investment manager and promoter. However Polar America and its affiliates do not receive commissions for the sale of shares or interests of the Polar Funds.

Polar America's relationship with its ultimate parent, Polar Holdings, is material to its business because Polar Holdings and its affiliates, including Polar Capital, provide material administrative, technology, executive, operations, compliance, risk management and related support to Polar America. Fees generated by Polar America provide essential revenues to Polar Holdings, and Polar Holdings is a source of capital for Polar America.

Polar America has a material relationship as a sub-adviser to its affiliate, Polar Capital, the investment manager to the Served Polar Funds.

#### ITEM 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Polar America has adopted a Code of Ethics as required under Rule 204A-1 of the Advisers Act. The Code is incorporated within the Polar Capital Compliance Manual and Employee Handbook. The Compliance Manual and Employee Handbook include detailed requirements, policies and procedures required by the U.K. Financial Services Authority ("FSA"), the primary regulator of Polar Capital, in addition to policies and procedures required under the Advisers Act.

All Polar America employees are subject to policies and procedures pertaining to personal trading and trading while in possession of confidential or inside information, and reporting requirements with respect to personal trading. All employees are considered "Access Persons" under Rule 204A, and must provide written acknowledgement to Polar America that they have read and understood the Code. Employees are required to submit securities holdings reports, quarterly transactions reports, and transaction pre-clearance requests to the Chief Compliance Officer (the "CCO").

Polar America will provide a copy of the Code of Ethics to any current or prospective client or any current or prospective shareholder of the Served Polar Funds upon request.

## ITEM 12 -- Brokerage Practices

Broker Selection. A number of factors are considered for the selection of brokers with the goal being best execution of orders. The primary factor is total consideration, with other factors being speed, likelihood of execution and settlement, size and nature of the order, market impact, price, research capabilities and experience. Each Served Polar Fund has a list of approved brokers that its portfolio managers use for transactions, with the discretion to choose a broker from the list. The Fund's Board of Directors reviews the commissions for each broker at regular quarterly meetings and may challenge the use of a broker or brokers.

Research and Other Soft Dollar Benefits. When permissible under FSA and SEC requirements, standards, and safe harbors, and if otherwise appropriate, Polar America obtains research services as part of the brokerage commissions for client transactions. There are instances where increased commissions are awarded for superior research services. This practice is commonly referred to as "soft dollars", meaning that a portion of the commissions generated when executing client transactions are used to acquire research and brokerage services, or "soft dollar benefits". Polar America believes that the research services acquired through soft dollars assist it in providing investment services to the Served Polar Funds. Goods or services that relate to research may be used by Polar America for other clients in connection with transactions in which the client(s) that paid for the goods or services through commissions may not participate.

Allocation of Product or Service. When Polar America obtains a research product or service with soft dollar commissions which may also have non-research uses, a reasonable allocation of the costs of the product or service is made according to its use. The percentage of the product or service that provides assistance to the investment decision making processes may be paid for with soft dollars while the portion which provides administrative or other non-research assistance must be paid for by Polar America.

Approval of Soft Dollars. The CCO will have the responsibility of approving all soft dollar commissions on a monthly basis. In determining if a product should be approved, the CCO must conclude that such product constitutes "advice", analyses or report" and "reflect[s] the expression of reasoning and knowledge" and that operational overhead expenses are not include. If there is an uncertainty or if the amount is significant, the approval process will include the partners of Polar Capital.

Principal Transactions. Polar America is not permitted to deal as principal; therefore, it cannot buy an investment from a client, sell an investment to a client or share in an aggregated transaction for a client.

Brokerage for Client Referrals. Polar America does not direct brokerage to any broker-dealer in return for client referrals.

Directed Brokerage. Polar America does not have any directed brokerage arrangements.

Trade Orders and Allocation of Investment Opportunities. Polar America portfolio managers may give advice or take action in performing their duties that is not uniform or consistent with advice or actions by portfolio managers of Polar Capital for clients. Polar America is not obligated to buy, sell or recommend for any security or other investment that may be bought, sold or recommended for any clients of Polar Capital.

Allocation of Aggregated Transactions. Transactions are generally not traded on an aggregated basis. If portfolio managers decide that it would be in the best interests of clients to engage in aggregated transactions, the following policies and procedures generally apply:

1. Transactions must not be aggregated unless it is likely that aggregation will not disadvantage any clients whose transactions are being aggregated bearing in mind the likely volumes of stock available and the effect this may have on the price of orders, and clients have been advised that the effect of aggregation may work to their disadvantage in relation to specific orders.
2. The intended basis of allocation must be documented prior to placing an aggregated order.
3. Aggregated orders completed within 24 hours of instruction (or upon expiry of the “indication of interest” period) must be allocated at the average price achieved, in line with the intended basis of allocation. Variances from this must be documented.
4. Where aggregated orders are not wholly filled (e.g., illiquid stocks, IPOs) and the amounts of stocks are too small to be allocated pro-rata (with the intended basis of allocation), they must be allocated on a demonstrably fair basis by the portfolio managers who must record the basis of the allocation on the dealing ticket. Subject to 5 below, this must be documented on a case by case basis with reference to the i) client’s investment objectives and investment strategy, ii) likely future liquidity of the stock; and iii) likely administrative costs relating to small holdings.
5. Where a Polar Fund, including a Served Polar Fund, has agreed to a de minimis holding value with its Board of Directors, below which it is unlikely to be interested in holding a partial allocation, it is not necessary to document further the reasons the portfolio manager has decided transactions below that amount have not been allocated to it.

Trades and allocations are reviewed by the Polar Capital Risk, Operations, and Compliance departments as well as the Risk Committee that meets monthly and the Valuation Committee that meets at least on a quarterly basis.

Trade Errors. Polar Capital has adopted policies and procedures for correcting trade errors. Once discovered, trade errors must be resolved promptly and fairly, with the goal of restoring the account to the appropriate financial position considering all relevant circumstances surrounding the error.

### ITEM 13 -- Review of Accounts

- A. Portfolio Manager. Portfolio management personnel continually monitor investment portfolios and individual securities and securities positions as part of the ongoing investment process.
- B. Internal. Polar Capital reviews and monitors all client accounts, including the account of each Served Polar Fund, internally on an ongoing basis, as follows:
1. The Operations department reviews accounts on a daily basis to ensure all positions are accounted for and trades settle appropriately. Daily checks are also conducted by Polar Funds independent administrators and prime brokers.
  2. The Operations and Compliance department conducts various weekly, monthly, quarterly and annual reviews to ensure compliance with Polar America's allocation, best execution, market abuse and other trading and compliance policies.
  3. Risk personnel conduct daily overviews of accounts for portfolio and investment risk with formal reviews on a monthly basis by the Risk Committee.
  4. Trades and allocations are reviewed by the Risk, Operations and Compliance departments as well as the Risk Committee that meets monthly, and the Valuation Committee that meets on at least a quarterly basis.
  5. Unusual situations and market conditions, or specific issues or problems may cause special reviews by Risk, Operations, Compliance and the Investment departments.
- C. Board Review. Each Served Polar Fund has an independent Board of Directors which typically meets quarterly to conduct a review of the Fund, including considering the following reports:
1. The Chief Executive Officer's Report provides information relating to the business, fund flows, investment performance, fund marketing update and any other relevant matters.
  2. The Chief Operating Officer's Report provides a fund review, Polar America review, third party review of fund administrators and custodians, commission disclosure and any other relevant matters.
  3. The Chief Risk Officer provides a risk report.
  4. The Investment Manager's Report consists of a synopsis of the last 3 months, summary of the fund's performance (absolute, relative and against competitors), present views and exposures, outlooks and issues of the period and lessons learned.

- D. External Reporting. Shareholders of each Served Polar Fund receive regular financial and performance information, along with annual financial statements audited by a public accounting firm and tax reporting information.

#### ITEM 14 -- Client Referrals and Other Compensation

Polar Capital may compensate agents who refer investors to the Served Polar Fund and other Polar Funds; such compensation is paid only in cash, and may be paid by way of management fee rebates.

#### ITEM 15 -- Custody

Polar America does not have custody of client assets or provide custodial services.

#### ITEM 16 -- Investment Discretion

Polar America has full investment discretion to manage the assets of the Served Polar Fund under the terms of the sub-advisory agreement with Polar Capital and subject to the Fund's investment management agreement, prospectus and related documents, subject to review by the Fund's board. Polar America has full authority to determine the securities to be bought or sold, the brokers to be used and the commission rates paid. Purchases and sales must be suitable for the Fund pursuant to its investment objective, strategies and any restrictions.

#### ITEM 17 -- Voting Client Securities

Polar America has the authority to vote proxies for the securities held by the Served Polar Funds. Polar Capital and Polar America have adopted a Proxy Voting Policy, as briefly described below.

Polar Capital Hedge Funds, including the Served Polar Funds. Polar Capital, including Polar America, has determined that it will generally not vote, except in specific instances when the responsible portfolio manager believes that it is in the applicable Polar Fund's interest to vote.

Conflicts of Interest. Each portfolio manager with voting authority is required to disclose any material conflicts between his or her interest and that of the applicable Polar Fund. Possible examples are a material business, personal or family relationship with senior personnel of a portfolio company or a material arrangement with such a company. Disclosure is made to supervisory personnel and the Legal and Compliance Officer, who jointly determine the manner in which proxies should be voted.

Polar Capital maintains records of proxy statements and votes on behalf of clients. Polar Capital will provide clients and investors in the Polar Funds a copy of its Proxy Voting Policy and information on how proxies were voted upon request.

ITEM 18 -- Financial Information

Polar America has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to carry out its business.