

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Polunin Capital Partners Limited (hereinafter “PCP” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at +44 (0)20 7824 8800 or at info@polunin.com. 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.

Although PCP is a registered investment adviser, registration itself does not require and should not be interpreted to imply any particular level of skill or training.

Additional information about PCP is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for PCP is 159031

Item 2 MATERIAL CHANGES

As a registered investment adviser, Polunin Capital Partners Limited has prepared this Firm Brochure, dated 03/13/2012, in accordance with the SEC's disclosure requirements. As you will see, this document is a narrative providing detailed information regarding our firm, its practices, fees, actual and potential conflicts of interest and key mitigating circumstances, policies and controls.

Following our initial filing of this Brochure, we have added information on two pooled funds over which the company has full management discretion, and in which there are US investors. This is described in Item 4, with the fee schedules of these two funds set out in Item 5.

Consistent with SEC rules, we will ensure 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. Furthermore, we will provide you with other interim disclosures regarding material changes as necessary.

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Item 4. Advisory Business

PCP is an SEC-registered investment adviser with its principal place of business in London, United Kingdom. PCP was founded in 2001 by:

- Douglas Polunin: Chief Executive Officer and Chief Investment Officer
- Julian Garel-Jones: Director and Head of Marketing
- Paul Parsons: Director of Risk and Compliance
- Adtiya Mehta: Director and Chief Operations Officer

The firm commenced business in 2001. PCP is a Limited Company registered in England and Wales that is authorized and regulated by the Financial Services Authority in the United Kingdom. PCP is regulated by the Securities and Exchange Commission in the United States.

The firm provides discretionary investment management services predominantly to offshore investment companies that are mainly domiciled in Luxembourg (hereinafter collectively “the Funds”). Investors should refer to the appropriate Fund prospectus for important additional information and considerations prior to subscribing to invest. The firm also manages separate accounts for institutional clients.

The firm is also the appointed investment manager of a Cayman Islands-domiciled investment company, Polunin Capital Partners Developing Countries Fund. This fund has acted as a feeder fund (since October 2007) for professional US investors, feeding into the Luxembourg-domiciled Polunin Capital Partners Strategy Funds – Developing Countries Fund. However, since its launch in October 2011, US investors below \$50 million in size have instead been actively encouraged to invest in a Delaware LLC pooled fund -- the Polunin Developing Countries Fund, LLC – in which the firm is the Managing Member. It is the firm’s aim to migrate existing US investors in the feeder fund, into the LLC, and not admit US investors into the feeder fund thereafter.

The firm specializes in investing in listed Global Emerging Markets’ equities. Our investment philosophy is based on the two distinctive perspectives we hold when seeking opportunities in emerging markets:

- that Replacement Cost in a common currency (USD) is the best valuation metric for companies in emerging markets at any given point in time; and
- Defining the Industrial Sector as the common ground for companies in emerging markets gives the best vantage point.

Only companies with the most extreme values relative to replacement costs in each sector, with the strongest balance sheets and the most favorable sector outlooks are considered for investment.

PCP’s methodology is based on Replacement Cost and, with the use of a proprietary database, we calculate the replacement value of emerging markets companies in a common currency unit, the US dollar.

We view emerging markets not by country, but by Replacement Cost in each sector. This allows us to differentiate between companies trading above or below the median

replacement value in each sector. It also gives PCP an objective top-down view of the emerging world based on bottom-up valuations – a highly unique perspective.

We rank emerging market companies within their respective industrial sectors, based on their RVBRIC values. The RVBRIC value is a proprietary valuation metric developed by Douglas Polunin and his team. It is an acronym that stands for Replacement Value, Balance sheet Risk, and Industry Conditions. The RVBRIC value is calculated as the quotient of Enterprise Value divided by Industrial Capacity, or replacement value. Enterprise Value is the sum of market capitalization and net working capital, all in US dollars, while Industrial Capacity is expressed in the relevant unit of capacity for each company.

PCP has created a proprietary database that calculates RVBRIC values and ranks companies accordingly by industrial sector. The database houses financial data on around 15,000 emerging market companies, including key balance sheet, income statement and corporate data going back at least five years. Pricing and exchange rates are updated daily from Reuters and DataStream. Balance sheet items are also downloaded on a quarterly or half yearly basis, depending on individual countries' reporting requirements.

PCP has also developed a proprietary data importer application which permits the manual inputting of data on companies, including industrial capacity data, using information obtained directly from the companies in question. Complete RVBRIC calculations are currently available for approximately 8,000+ names. Once the ranking has been calculated by the proprietary database for a given industrial sector, the Median Company in the list is defined as fair value. It is the average at which the emerging market companies in that sector trade. PCP defines all companies trading below the Median as potentially undervalued, and all those above as overvalued.

Liquidity screens reduce the number of potential portfolio candidates to approximately 2,000 companies. Stocks which are too illiquid are eliminated immediately. PCP's liquidity policy is that 75% of the invested portfolio will at all times be in securities that can be liquidated within seven trading days, accounting for no more than one third of the daily market volume. In practice this means that their aggregate stock positions do not exceed 2.5 days of trading volume.

PCP then conducts extensive on-site visits with companies that are identified as being potentially mispriced; this equates to around 1,000 companies per year. The visits are designed to obtain new, or to verify existing capacity information. Questions are sent to the company in advance, as this type of information is rarely requested by other investors. In addition the visits are designed to understand why the market is placing such a large valuation discount or premium on the target company versus the remainder of the sector in emerging markets.

If the company is extremely undervalued, the visits are intended to cast light on the management or majority shareholders' strategy for realizing the company's true value. The investment managers also conduct extensive sector research, tracking such variables as supply and demand, product pricing, merger and acquisitions, capital expenditures and pricing power on a global basis. If a company appears excessively over-valued, the visit will concentrate on understanding which factors have caused the

company to enjoy a premium rating by the market, and which factors, if any, are vulnerable to disappointments.

From our proprietary database of 15,000 companies, stocks are filtered using our proven 'bottom up' fundamental approach, incorporating industrial and financial valuation techniques as mentioned above. Adjustments are made to reflect relevant macro-economic conditions, and companies that combine the most extreme values and the most/least favorable sector outlooks are considered for portfolio construction. From the short list, our portfolio managers will pick companies to visit and conduct further due diligence.

Trading liquidity is a key consideration when investing in emerging markets. Typically the portfolio comprises up to 150 stocks across 25 countries and 20 industrial sectors, and the majority of the portfolio is made up of out-of-index stocks at any point in time.

Assets: As of December 31, 2011, we had \$669,125,816 in discretionary assets under management. PCP does not manage any assets on a non-discretionary basis.

Item 5. Fees and Compensation

For separate accounts the firm has a minimum account size of USD50 million and two tiers of fees:

A. Management Fee only

	AUM tier	AUM USD	Fixed Mgt Fee	USD Fee at tier	% Fee to client
First	50,000,000	50,000,000	0.90%	450,000	0.900%
Next	100,000,000	150,000,000	0.85%	850,000	0.867%
Next	100,000,000	250,000,000	0.75% thereafter by negotiation	750,000	0.82%

B. Management and Performance Fee

	AUM tier	AUM USD	Fixed Mgt Fee	USD Fee at tier	% Fee to client
First	50,000,000	50,000,000	0.75%	375,000	0.750%
Next			0.70%		0.717%

	100,000,000	150,000,000		700,000	
Next	100,000,000	250,000,000	0.65%	650,000	0.69%
			thereafter by negotiation		

The Funds charge a Performance Fee calculated as:
10% of the excess return above the MSCI EMF Price
index

Payable in each calendar year subject to:

- (i) The Fund making a positive absolute return
- (ii) The Fund being above its High Water Mark

The Polunin Capital Partners Developing Countries Fund, a feeder fund domiciled in the Cayman Islands, does not charge any fees. All fees are charged by the master fund in Luxembourg, Polunin Capital Partners Strategy Funds – Developing Countries Fund, and passed through to feeder fund investors. The fees charged by the master fund are:

- An annual management fee of 1.5% of the Net Asset Value of the Fund.
- A performance fee which corresponds to 10% of any excess return over the Hurdle Rate. The Hurdle Rate is the calendar year return of the MSCI Emerging Markets Free Index in USD. The Investment Manager is only entitled to receive a performance fee in years when the return is positive in accordance with the high watermark principle.
- A dilution levy of 1.25% on all subscriptions and redemptions is charged by, and paid to the master fund.

Separate client accounts who wish to invest amounts under \$50 million in size may, since launch in October 2011, only invest in the Polunin Developing Countries Fund LLC. This is the firm's commingled fund for US institutional investors, and has the following fee schedule:

Amounts up to USD15m	1.25%
Next USD10m	1.10%
Above USD25m	0.90%

Asset-based management fees are typically charged on a quarterly basis, in arrears, based upon on the value (market value or fair market value in the absence of market value) of the assets held in the client's account at the end of the quarter, while performance-based fees are charged at the end of each calendar year.

We offer performance-based fees for separate accounts but it is at the client's discretion to pay a performance-based fee, together with a lower annual management fee, or instead choose a higher annual management fee arrangement.

We impose a minimum investment threshold \$1 million to start and maintain an account in a comingled fund and \$50 million in a separate account. The account sizes may be negotiable under certain circumstances.

Accounts managed on behalf of PCP's' employees and their family members may be subject to alternative fee schedules.

Fees are subject to periodic revision. Clients may be notified of fee revisions to their account through the means defined in the client agreement. Furthermore, as firm wide fee revisions occur, clients account fee schedules may be "grandfathered" at their prevailing fee schedule. These fees may be greater or lower than PCP's current fee schedule. Exceptions to both the general fee schedule and account minimums may be negotiated and granted on a case by case basis by an accepting official of the firm. Exceptions are generally approved based on client total assets maintained by the firm.

GENERAL INFORMATION:

Personal Investments in Funds: Certain executive officers and/or other employees of PCP have invested or may invest a portion of their personal net worth in one or more of the Funds.

Different Fee Schedules: PCP's management fee and performance-based fee may be discounted with respect to any investor or client for any particular period of time at the sole discretion of PCP, as applicable.

Termination: The client agreement will contain termination clauses which typically (and under normal conditions of business) allow the client to terminate with 30 to 60 days written notice.

Other Fees and Expenses: In addition to fees paid to our firm, as appropriate, investors will also be responsible for the fees and expenses charged by custodians and imposed by any broker dealer with which PCP effects client transactions. Please refer to Item 12 of this brochure for additional information regarding brokerage.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

As disclosed at Item 5 of this Brochure, PCP accepts an annual performance-based fee, as applicable.

Clients should be aware performance-based fees can create an incentive for an adviser such as PCP to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Also, because the performance-based fee is calculated on a basis which includes unrealized as well as realized appreciation of assets, it may be greater than if such compensation were based solely on realized gains.

Different client accounts managed by PCP may be solely subject to management fee arrangements or different performance-based compensation arrangements. If we are

entitled to receive a performance-based fee from one client and an asset-based management fee from another, or a higher percentage of the net profits of the account of one client than the percentage that we receive from another client, then we may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the client that is subject to the higher arrangement. However, PCP will, as a policy, allocate all investment opportunities among its clients in a manner that it considers fair and equitable to all clients, considering all factors potentially applicable to each client. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

Item 7. Types of Clients

The Firm provides discretionary fund management services to corporations, financial institutions, endowments, foundations and government bodies.

Our firm provides investment management services to the Funds as disclosed at Item 4 of this Brochure.

For the Firm's Luxembourg funds, Shares may not be offered, sold or transferred in the United States or to, or for the benefit of, directly or indirectly, any U.S. Person. All applicants will be required to certify that they are not acquiring Shares for the benefit of, directly or indirectly, U.S. Persons and that such applicants will not sell or offer to sell or transfer Shares to a U.S. Person.

For the Firm's Cayman Islands funds, the offering of Shares is made outside the United States in accordance with Regulation S under the 1933 Act. The Funds have not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any Shares in the United States or to or for the account or benefit of US persons except that in a concurrent offering pursuant to a separate offering document it may arrange the offer and sale of a portion of the Shares to a limited number (not being more than 100) of US persons who are accredited investors (as defined in Regulation D under the 1933 Act) in transactions which are exempt from the registration requirements of the 1933 Act and state securities laws and under other circumstances designed to preclude the Investment Manager and the Directors from being subject to registration under the United States Commodities Exchange Act, the Funds from becoming subject to the 1940 Act and the assets of the Funds from becoming "plan assets" for the purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Shares sold within the United States or to US persons will be subject to certain restrictions which will be set forth in the separate materials provided to relevant purchasers. US persons may not hold Shares in Euroclear or Clearstream.

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

METHODS OF ANALYSIS:

In addition to the RUBRIC methodology discussed in Item 4, we will generally use the following methods of analysis in managing emerging markets equity portfolios:

Fundamental Analysis: Fundamental analysis attempts to measure the intrinsic value of a security by examining macroeconomic and financial factors (including the overall economy, industry conditions, the financial condition and management of the company itself) to determine if the company is under-priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). In evaluating the attractiveness of long equity investments, we generally focus on one or more of the following:

- *Asset, cash flow, and earnings based valuation:* Traditional valuation parameters, such as price/earnings ratios, price/cash flow, price/sales, price/book, price/asset replacement value, and price/liquidation value, are used to analyze individual portfolio companies. In the case of restructurings or other similar changes in corporate form, company financial statements are adjusted to reflect the true economics of the firm. Particular attention is directed at free cash flow, as the General Partner believes that changes in cash flow dynamics often precede significant corporation activity.
- *Competitive dynamics, market position, and opportunities for profitable reinvestment of cash:* The competitive dynamics of the industry and the market position of a company within the industry are assessed. Does the firm have a dominant market position? Is competition increasing? Can the firm reinvest its cash flow at above-average rates of return?
- *Management capability and intent:* The management of each portfolio company is evaluated carefully. Does management have a plan and does management's track record indicate that they can execute on the plan? Is management profit-oriented and do they demonstrate intent to run the company for the benefit of shareholders?
- *Catalysts:* Is there a potential catalyst, such as reorganization, restructuring, spin-off, merger or acquisition, or other extraordinary corporate transaction, that will expose the true value of either a long or short investment?

An inherent risk when using fundamental analysis is that this methodology does not attempt to anticipate short term market movements though the price of a security can and often does move up and down along with the overall market regardless of the economic and financial factors considered by us in evaluating the particular security. Nevertheless, we believe that fundamental analysis should prevail over time and that with proper price discipline; absolute returns consistent with the Funds' objectives can be generated.

Technical analysis: We may also analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis includes cyclical analysis.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

A risk of technical analysis is that it does not consider the underlying financial condition of a company. This presents the possibility that, without further fundamental analysis, a poorly-managed or financially unsound company will underperform the market in the long term regardless of market movement or momentum.

Quantitative analysis: As appropriate, we may also use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative analysis: We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Risks for All Forms of Securities Analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES:

The following investment strategies may be used when managing the assets of the Funds.

Long-Term Purchases: We purchase securities with the idea of holding them in the Fund as an investment. We may do this because we believe the securities to be currently undervalued.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: We may also purchase securities with the idea of selling them within a relatively short time, typically a year or less. On occasion, we may even purchase securities with the intention of selling them within 30 days or less. We typically will make short term purchases in an effort to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was intended to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Special Situations: As disclosed at Item 4 of this Brochure, we may invest in companies involved in (or that are the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions.

In any investment opportunity involving such a special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which we may invest on behalf of the Funds, there is a potential risk of loss by the Fund of its entire investment in such companies.

Short Sales: We may borrow shares of a stock on behalf of a Fund from another who owns the stock with a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. Short positions in equity securities are typically in companies that are believed to be overvalued relative to the market, have weak market positions, participate in increasingly competitive marketplaces, have poor managements that destroy or inhibit growth in value, or have weakening cash flows and precarious balance sheets. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

- *Losses can be infinite.* A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.
- *Short squeezes can wring out profits.* As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up.
- *Timing.* Even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.
- *Inflation.* History has shown that over the long term, most stocks appreciate.

Even if a company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices may adjust upwards regardless of the value of the stock.

Leveraged Transactions: We may purchase stocks for the Funds with money borrowed from the applicable Fund's prime broker or other Fund brokerage account. This allows us to purchase more stock than we would otherwise be able to with the Funds' available cash, and allows us to purchase stock without selling other holdings.

A risk of leveraged transactions is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the financial institution will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option Writing: From time to time as we deem appropriate, and in accordance with the investment mandate for the Funds, we may also use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls," in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We may also use options to implement a "spreading strategy," in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

OTC Securities: As disclosed at Item 4 of this Brochure, we may invest in swaps, forwards and certain options or other bilateral contracts not traded over or regulated by an exchange. Such investments are subject to the risk of nonperformance by the counterparty to the transaction including risks relating to the financial soundness and creditworthiness of the counterparty.

Risks in General: Securities investments are not guaranteed and you may lose money on your investments. Investors or prospective investors should carefully review the Private Placement Memorandum for any ABC Advisors Fund under consideration for investment for a detailed explanation of many of the risks associated with investment.

Item 9. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

Neither our firm nor our management personnel have reportable financial industry activities or affiliations to disclose.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

PCP has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, including investors and prospective investors in one or more of the Funds, upon request to the Director of Risk and Compliance via email at paul@polunin.com, by phone at +44 (0)207 881 4232, or by mailing your request to the firm's principal office address.

As disclosed at Item 5 of this Brochure, certain executive officers and/or other employees of PCP have invested or may invest a portion of their personal net worth in one or more of the Funds. In addition certain executive officers of PCP may have direct investments in one or more of the underlying portfolio companies which the Funds have invested in.

It is the expressed policy of our firm that no person employed by us may usurp an

investment opportunity which may be appropriate for a client without first presenting the opportunity to our investment team, particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities: The Firm has strict guidelines for personal account dealing. Every employee must seek prior written authorization from both a Director, and the Director of Risk and Compliance, before placing a personal account trade (with the exception of investments in mutual funds, new issues, unquoted/unlisted companies, and rights issue entitlements). In any situation where an employee wishes to deal in a security that may, or is, traded for a client, then the client always takes priority: the client is first to buy, and first to sell.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Item 12. Brokerage Practices

PCP has been granted the authority to select the broker or dealer through which to place trades on behalf of its clients. When executing transactions, we endeavor to select those brokers or dealers which will provide the combination of best services at the lowest prices and commission rates possible under the circumstances. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help us in providing investment management services to clients. In terms of protection of client interests, we rely on the requirement to provide Best Execution at all times. In addition, counterparty commissions are reviewed by the Board of Directors twice per annum to ensure that approved counterparties are receiving the business in-line with our stated counterparty selection procedure. This aims to utilize counterparties solely in proportion to their contribution to our research requests and their execution capabilities and not in relation to other factors.

PCP does not have any soft dollar commission arrangements. Since April 2006, PCP has had a commission sharing agreement with UBS AG that complies with the Financial Services Authority's Conduct of Business rules. The arrangement is used to pay for the development of our research database, independent research in global economics, technical analysis and independent company research. To date the following independent research firms have been used:

UBS AG – company research, global emerging markets economics
Xenomorph Software Limited (Research Database development)
SSKI Securities – small cap Indian company research
Edelweiss Securities – small cap Indian company research
Oscar Gruss – small cap research Central Europe
Bank Credit Analyst – global economic research
Africa Investment Trading – company research in Zimbabwe
ING Barings – Eastern Europe company research

All clients are informed in writing at the end of each year of the commission share payments relating to their account.

Trade Aggregation: Orders will be aggregated on behalf of multiple clients when they share a similar investment objective/risk profile and also when we have grounds to believe this will work to the advantage of each of the clients e.g. achieving a more advantageous price through benefits of scale. We will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across all clients participating in the blocked transaction.

If we determine that aggregation of trades in a certain situation will be beneficial to clients, then an aggregated order will be allocated between the clients based using pre-agreed allocation factors. The factors we consider are:

1. the order's likely monetary value; and
2. a computed weighted percentage entitlement to an aggregated order based on the monetary value of each client's portfolio.

Transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed from each client account on any given day. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, divergent investment objectives and existing concentrations, tax considerations, investment restrictions, performance relative to the applicable benchmark, performance relative to other accounts in the same strategy, and desire to avoid "odd lots" (an amount of a security that is less than the normal unit of trading for that particular security).

Item 13. Review of Accounts

The Portfolio Managers of PCP meet with clients usually once per year in person for performance reviews, and typically conduct quarterly and half yearly updates over the phone or as requested by the client. An extreme market event, such as a complete loss of liquidity in emerging markets, would trigger either a conference phone call or email to each of our clients if we feel the event warranted immediate attention. Moreover, we generally make ourselves available for clients when necessary and maintain a limited client list which ensures Portfolio Managers are able to participate in client servicing activities without compromising their core responsibilities.

Any of our Portfolio Managers may conduct client reviews but typically Douglas Polunin, CIO, and Julian Garel-Jones, Director, are selected to attend external client-facing meetings. We do not assign accounts to specific managers since operating as one team means responsibilities are equally distributed and our clients are familiar with each of our team members.

PCP's Operations, Client Relations and Portfolio Management teams work together to meet reporting commitments. Each month our clients receive a performance update and each quarter a commentary and market outlook. We are able to report in brief within one day of each period end to those clients that need immediate color and follow with an in-depth report within 10 business days to all clients. Our internal accounting operates in

real time so detailed reports are available immediately on request. Teleconferences are also available with the portfolio managers as required

Item 14. Client Referrals and Other Compensation

The Firm has appointed several marketing agents with defined regional expertise to assist in ongoing marketing and business development. These marketing agents are compensated for client referrals through a commission-based structure. The Firm currently has three marketing agents in North America, two of which are US-based organizations.

It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15. Custody

We do not have actual or constructive custody of client accounts. Clients designate administrators or custodians for their accounts.

Item 16. Investment Discretion

PCP is granted the discretionary authority in client advisory agreements to determine which securities and the amounts of securities that are bought or sold for clients.

Item 17. Voting Client Securities

PCP votes client proxies when specifically required to do so in the client agreement and as on behalf of the Polunin Developing Countries Fund, LLC as managing member.

The guiding principle by which PCP votes on all matters submitted to security holders is the maximization of the ultimate economic value of our clients' holdings. Furthermore, PCP is mindful that for ERISA and other employee benefit plans, the focus on the realization of economic value is solely for the benefit of plan participants and their beneficiaries. PCP does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, the guiding principle set forth above. It is our policy to avoid situations where there is any conflict of interest or perceived conflict of interest affecting our voting decisions. Any conflicts of interest, regardless of whether actual or perceived, will be addressed by PCP's Compliance Officer together with the Chief Investment Officer, who will ensure voting is conducted in accordance with the principles of PCP's proxy voting policy.

PCP maintains records of all proxies voted. It is generally PCP's policy to maintain the confidentiality of the particular votes that it casts on behalf of its clients. However any client of PCP can obtain details of how the firm has voted the securities in its account by contacting the company.

Our complete proxy voting policy and procedures has been documented and is available for investors to review upon request to the Director of Risk and Compliance via email at paul@polunin.com, by phone at +44 (0)207 881 4232, or by mailing your request to the firm's principal office address.

Item 18. Financial Information

We are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. PCP has no additional financial circumstances to report.

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, and as such, we are not required to include a financial statement with this Brochure.

We have not been the subject of a bankruptcy petition at any time during the past ten years.