



**Five Oceans Asset Management Ltd**

Level 17, 255 Pitt Street  
Sydney 2000, Australia

Telephone: +612 9994 7490  
Email: [info@5oam.com](mailto:info@5oam.com)  
Web Address: [www.5oam.com](http://www.5oam.com)

1<sup>st</sup> December 2012

This brochure provides information about the qualifications and business practices of Five Oceans Asset Management Ltd. ("Five Oceans"). If you have any questions about the contents of this brochure, please contact us at +612 9994 7490 or [info@5oam.com](mailto:info@5oam.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Five Oceans is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Unless otherwise indicated, the term "Five Oceans" or "the Company" is broadly used within this brochure to refer to the entire enterprise and not to a specific legal entity.

## **Item 2 - Material Changes**

On July 28, 2010, the SEC published "Amendments to Form ADV", which amended the requirements applicable to the disclosure document that we provide to clients. This brochure, dated December 1, 2012, is prepared according to the SEC's new requirements and rules.

This brochure contains information about Five Oceans upon its initial registration as an investment adviser with the SEC. There have been no material changes since its adoption. After our initial filing of this brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision (s) based on the nature of the updated information.

### **Item 3 - Table of Contents**

Item 2 - Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation.....	5
Item 6 - Performance-Based Fees and Side-By-Side Management.....	6
Item 7 - Types of Clients .....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 - Disciplinary Information .....	9
Item 10 - Other Financial Industry Activities and Affiliations .....	9
Item 11 - Code of Ethics .....	9
Item 12 - Brokerage Practices .....	10
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.....	13
Item 18 - Financial Information .....	13

## **Item 4 -Advisory Business**

Five Oceans Asset Management Limited (“Five Oceans”) is an investment management firm, organised as a corporation, with its principal place of business located in Sydney, Australia. Five Oceans began conducting business in 2005 and is licensed by the Australian Securities and Investments Commission.

The principal owners of the firm are Ross Youngman, Chief Executive Officer and Christopher Selth, Chief Investment Officer, who hold 44.0% of the company directly and through their family trusts, the R C Youngman Family Trust and the Chris Selth Family Trust, and through the Mackerel Sky Capital Unit Trust. The Mackerel Sky Capital Unit Trust owns 40.0% of the stock and is jointly owned by The R C Youngman Family Trust and the Chris Selth Family Trust.

The rest of the company, representing 22.4% of stock, is held by other executives of Five Oceans through various vehicles and an Employee Share Option Plan.

Additionally, Challenger Limited (“Challenger”), an Australian Stock Exchange listed company, holds 33.6% of the stock of Five Oceans via its subsidiary Fidante Partners Holdings Pty Ltd.

Five Oceans provides discretionary investment management of developed and emerging market equities allocation to institutional clients. Clients include segregated accounts and various pooled investment vehicles, including European Union Undertakings for Collective Investment in Transferable Securities Regulations (i.e., UCITS funds) and Australian registered managed investment schemes (i.e., managed funds) that are governed by the Australian securities laws and regulations. Five Oceans anticipates providing investment management services to a U.S. investment company registered under the Investment Company Act of 1940.

As of November 30, 2012, Five Oceans managed approximately US\$806.9 million in assets on a discretionary basis. Five Oceans does not manage any client assets on a non-discretionary basis.

### **Segregated Accounts**

For segregated accounts, following review and discussions, Five Oceans’ services will be tailored to the specific Client’s investment objectives in line with the Company’s philosophy, style and investment process. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Once the Client’s portfolio has been established, Five Oceans reviews the portfolio on a regular basis, and rebalance the portfolio when necessary.

### **Funds**

Five Oceans currently serves as the investment adviser or sub-adviser to various managed funds and UCITS domiciled outside the United States (collectively the “Funds”), and anticipates providing sub-advisory services to a U.S. registered investment company in early 2013. For the Funds, consistent with each Fund’s disclosure documents, Five Oceans manages assets on a discretionary basis in accordance with the investment objectives and restrictions of each Fund. Fund investors may not impose restrictions on investing in certain securities, types of securities, or industry sectors. The Company will review these accounts on a regular basis, and when necessary, rebalance the portfolio, based on the account’s investment objectives and restrictions.

In order to provide its services, Five Oceans will generally invest in exchange-listed securities, foreign issuers, warrants, money markets, convertible bonds and notes, OTC securities, options contracts on securities and intangibles, foreign exchange forwards, foreign exchange options and futures contracts on intangibles. Five Oceans will invest in these securities if such investment is consistent with the investment objectives and restrictions of the account for which the investment is being made.

## Item 5 - Fees and Compensation

The specific manner in which fees are charged by Five Oceans is established in a written agreement between Five Oceans and the Client. The basic fee schedules are generally as follows:

### **Segregated Accounts (minimum \$30 million)**

<u>Account Assets</u>	<u>Annual Fee</u>
First \$50 million	0.70%
Next \$150 million	0.60%
Amounts over \$200 million	0.50%

### **Funds (Institutional Investors)**

<u>Account Assets</u>	<u>Annual Fee</u>
First \$50 million	0.70%
Next \$150 million	0.60%
Amounts over \$200 million	0.50%

Depending on the Client, Five Oceans may also charge an incentive fee of up to 20% of net profits in a Client's account subject to a hurdle or high water mark.

### **Fees Generally**

The fees set forth above are invoiced to and paid directly by the Client. Fees are charged on a monthly or quarterly basis, as set forth in the investment management agreement or Fund disclosure document, and based on either the portfolio's daily market value or ending market value for the period. Fees are paid in arrears; Clients are not permitted to pay fees in advance. Five Oceans, in its sole discretion, may negotiate the fee and minimum account size under varying circumstances. If a Client terminates the investment management agreement with Five Oceans in the middle of a billing period, then Five Oceans will invoice the Client for an amount that is pro-rated based on the number of days that the account was managed.

In addition to Five Ocean's investment management fees, Clients may incur brokerage, custodial, and other transaction costs. Item 12 contains further information about brokerage. Additional costs specific to Five Oceans' various accounts are described more fully below.

### **Funds**

Operating expenses of the Funds will be borne by the Funds, including any trustee, legal, accounting and auditing fees and other professional expenses and investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and other reasonable expenses related to the purchase, sale or transmittal of the Funds' assets as determined by the Funds at their sole discretion. As such, entry and redemption fees may apply to subscriptions and redemptions in the Funds. For further information, please refer to the Funds' disclosure documents.

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

Performance-based fees may create an incentive for Five Oceans to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Since the performance fees charged to a Client are based on both realized and unrealized gains, the Company may receive a performance allocation reflecting unrealized gains at the end of a period that is not subsequently recognized by the Client. Five Oceans may manage accounts that charge a performance-based fee, as well as accounts that pay only an asset-based management fee. As such, Five Oceans may have an incentive to favor certain Clients from which the Company receives a performance fee over Clients that pay a lower or no performance fee. This risk is mitigated by the implementation of detailed allocation procedures and the ongoing review of Client portfolios by investment and compliance personnel.

## **Item 7 - Types of Clients**

Five Oceans currently provides discretionary investment services to managed funds, UCITS, and Australian pension plans (i.e., superannuation schemes). The Company anticipates providing services to a U.S. registered investment company in early 2013.

Clients are subject to Five Oceans' minimum account requirements and advisory fees in effect at the time the Client entered into the advisory relationship. Therefore, Five Ocean's minimum account requirements will differ among Clients. Generally, Five Oceans recommends an account minimum of \$30 million for separate accounts. In Five Oceans' sole discretion, minimum amounts to open accounts may be lowered or waived.

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

Five Oceans considers that, over the long term, superior risk-adjusted returns are generated through an emphasis on high conviction stock selection and attention to capital protection rather than by following an index. Five Oceans believes in valuation analysis that can provide a different view from the market on either a company's profitability or growth.

Five Oceans builds portfolios through selecting companies based on extensive fundamental research undertaken by a globally experienced investment team, and which are combined in a thoughtful way to manage risk. The opportunity that Five Oceans seeks to exploit is in identifying companies that are well positioned within their industry group but, for short term factors unrelated to their long term business sustainability, are being mis-priced by the market. Five Oceans also considers that analyzing not only the expected company growth forecasts, but also the potential for downside scenarios, adds valuable insight in understanding competitive positioning and overall industry dynamics.

Five Oceans believes that detailed stock analysis provides insight into the overall macroeconomic environment providing an ongoing iterative information loop between bottom-up stock research and the firm's macroeconomic outlook.

The investment universe for Five Oceans is defined as being all global equities. There are no formal restrictions on countries or sectors, except for Tobacco and Armaments which are excluded.

### **Risk of Loss**

Investing in securities involves the risk of loss that Clients and investors should be prepared to bear. An investment in a Fund should only be made after consultation with independent qualified sources of investment and tax advice. No guarantee or representation is made that an investment program will be successful and performance could be negatively impacted by a number of risks, including, but not limited to:

- **Risk of Investing in Equity Securities.** Because Five Oceans invests in equity securities, investments are subject to market risk, such as declines in common stock prices over short or even extended periods. Stock markets tend to be cyclical, with periods when stock prices generally rise and periods when prices generally decline. Investments are also subject to issuer risk, i.e. the risk that the value of a particular issuer's securities will decline because of changes in the management or business prospects of the issuer. The value of an issuer's securities may decline sharply if the issuer becomes insolvent or bankrupt.
- **Business Risks; Economic Conditions.** Investments are subject to risk from changes in the economic climate, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws, the competency of management, and innumerable other factors, in a similar way to other industrial or commercial companies. None of these conditions are within the control of Five Oceans. For these and other reasons, there can be no guarantee that companies in which the managed accounts invest will develop as anticipated.
- **Frequent Trading Risk.** Five Oceans may engage in frequent trading of investments in furtherance of an account's investment objective or in response to market conditions. Frequent trading increases transaction costs, which may reduce returns. Frequent trading can also result in increased tax liability for investors.
- **Foreign Investments.** Five Oceans will make investments in a number of different foreign countries, some of which may prove to be politically and/or socially unstable. With any investment in a foreign country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation, labor strikes or war. Furthermore, in the case of investments in foreign securities or other assets, any fluctuation in currency exchange rates will affect the value of the investments, and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Five Oceans will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the a Five Oceans account.
- **Hedging strategies.** A hedging strategy may be used in a Five Oceans account in an effort to reduce the overall risk, but there can be no assurance that hedging transactions will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or the attribute of the investment being hedged and the instrument with which the investment or attribute is hedged. Also, any

historical correlation may not continue for the period during which the hedge is in place. Hedging against a decline in the value of an asset does not eliminate fluctuations in the price of portfolio securities or prevent losses if the price of such securities declines. Hedging may also preclude or reduce the opportunity for gain if the value of the hedged security should rise. If the hedging arrangements are terminated at any time in accordance with their terms, whether as a result of an event of default thereunder or otherwise, a Five Oceans account may be liable to make a payment to or receive a payment from the hedging provider in connection with such termination reflecting the market value of the transactions comprising such hedging arrangements (or, in certain circumstances, the loss or gain, as applicable, of the party making the relevant determination). If a Five Oceans account is required to make such a payment, it may be required to liquidate investments to fund any such payment. Furthermore, a Five Oceans account may be unable to locate an alternative provider of hedging arrangements within a reasonable period of time or at all. If no such alternative provider of hedging arrangements is located, then the Five Oceans account may be subject to increased risk and volatility.

- **Futures and Forward Contracts Risk.** In the case of futures and forward contracts, there can be no assurance that a liquid exchange or OTC market will exist to permit a Five Oceans account to trade the appropriate contracts. A Five Oceans account is subject to the credit risk that its counterparty may be unable to meet its obligations. In addition, there is the risk of loss of margin deposits by the Five Oceans account in the event of bankruptcy of a dealer with whom the Five Oceans account has an open position, futures or forward contracts. The ability of the Five Oceans account to close out its positions may be affected by exchange-imposed daily trading limits on futures contracts. The inability to close out futures and forward positions could also have an adverse impact on a Five Oceans account's ability to use derivative instruments to implement its investment strategy. Stock index futures and forward contracts present the additional risk that index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in these derivative instruments may also be interrupted if trading is halted in a substantial number of stocks included in the index. If this occurred, a Five Oceans account would not be able to trade and could incur losses.
- **Counterparty (Credit) Risk.** Five Oceans may enter into transactions in OTC markets whereby the account will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, Clients could experience delays in liquidating a position and may incur significant losses.
- **Investments in Foreign Currency Markets.** Five Oceans invests directly and indirectly in securities denominated in currencies other than US dollars. It may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialized, and highly technical. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.
- **Liquidity Risk.** If a security is not actively traded it may not be readily bought or sold without some adverse impact on the price paid or obtained.



**In addition to above, Clients and Fund Investors should refer to all documents and agreements relating to opening an account or investing in a Fund, including the respective Fund's disclosure document and any other relevant document.**

## **Item 9 - Disciplinary Information**

Five Oceans is required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of its advisory business or the integrity of our management. The Company and management personnel have no reportable disciplinary events to disclose.

## **Item 10 - Other Financial Industry Activities and Affiliations**

Five Oceans is affiliated with a number of companies within the Challenger group of companies (the "Challenger Group"), the primary relationship arises from business activities with Challenger's subsidiary, Fidante Partners Limited ("Fidante Ltd.") and other relationships arise from the sharing of common supervised persons. Five Oceans may be engaged to provide sub-advisory services to certain Fidante Ltd. managed funds ("Fidante Funds"), which may or may not carry Five Oceans branding. Five Oceans receives sub-advisory fees for its services. Fidante Ltd. may also serve as investment adviser, sponsor, or in other service provider capacities, for these Fidante Funds. Fidante Ltd. generally receives compensation for these services which include distribution and administration. Affiliations with other companies within the Challenger Group do not arise from any material business undertakings with Five Oceans, but rather from Fidante Ltd. being a member of a group structure.

Five Oceans is not registered and does not have a pending application to register as a broker-dealer, a futures commission merchant, commodity pool operator, commodity trading advisor, or any associated persons of one of the foregoing entities.

## **Item 11 - Code of Ethics**

Five Oceans has adopted a written Code of Ethics that is applicable to all employees. Among other things, the Code requires Five Oceans and its Employees to act in Clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, pre-clear certain transactions, and report on many types of personal securities transactions. Five Oceans' restrictions on personal securities trading apply to Employees, as well as Employees' family members living in the same household. A copy of Five Oceans' code of ethics is available upon request.

Employees are subject to a 30-day holding period for securities purchased, with the exception of exchange traded options or futures. The Chief Compliance Officer ("CCO") monitors Employee trading, relative to Client trading, to ensure that Employees do not engage in improper transactions.

Five Oceans (and/or its directors, officers, or other Employees) may, from time to time, advise its Clients with respect to the purchase or sale of, or provide advice about, securities issued by an issuer that is a related party of Five Oceans. Five Oceans will only engage in such activities if it is confident that they are in the best interest of its Clients and are in compliance

with all requirements imposed by applicable securities laws and the Client's own investment policy. Moreover, any transactions in securities of issuers who are related parties of Five Oceans will be made in accordance with the Clients' investment objectives, guidelines, and restrictions, or any other requirements contained in the Investment Management Agreement entered into between the Client and Five Oceans. The Five Oceans' Funds are the only related issuers of Five Oceans.

## **Item 12 - Brokerage Practices**

### **Broker Selection and Best Execution**

Five Oceans has a policy to ensure that a diligent selection of brokers/dealers is made, a fiduciary and fundamental duty to seek best execution for client transactions, and to ensure that fair and equitable allocations of investment opportunities among client accounts occur. The best net price, after taking account of brokerage commissions, spreads, and other costs, is normally an important factor in this decision, but a number of other judgmental factors are also considered as they are deemed relevant. These factors include, but are not limited to:

- The nature of the security being traded;
- The size and type of the transaction;
- The nature and character of the markets for the security to be purchased or sold;
- The desired timing of the trade;
- The activity existing and expected in the market for the particular security;
- Confidentiality, including trade anonymity, liquidity, the quality of the execution, clearance and settlement services;
- The existence of actual or apparent operational problems of any broker or dealer; and
- Financial stability of the broker or dealer.

Five Oceans generally seeks competitive commission rates; however, Clients will not always pay the lowest commission or commission equivalent available. Transactions may involve specialized services on the part of the broker-dealer, resulting in higher commissions than would be the case with transactions requiring more routine services. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research, and other services that will help Five Oceans in providing investment management services to Clients. Five Oceans may, therefore, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

### **Soft Dollars**

The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment adviser's clients.

Five Oceans does not enter into formal soft dollar arrangements or other arrangements that would commit the Company or its Clients to any specific or implied level of trading. As an institutional investment manager, Five Oceans may receive access to research made available through brokerage counterparties. Five Oceans believes this research is available to all institutional investment managers of similar size. Research services may include the provision of research reports prepared by the broker-dealer, certain financial newsletters and trade journals, analytical software, seminars and conferences, portfolio strategy consultants, market and financial data, and performance measurement.

The foregoing benefits may be available for use by Five Oceans in connection with transactions in which a Client does not participate. The availability of these benefits may be an incentive to select one broker rather than another to perform services for a Client. Nevertheless, Five Oceans seeks to ensure that the fees and costs for services provided to a Client by brokers offering these benefits are reasonable in relation to the fees and costs charged by other equally capable brokers not offering such services.

Five Oceans has the option to use “soft dollars” generated by a Client to pay for the research related services described above. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties. Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a “safe harbor” to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities.

The use of brokerage commissions to obtain investment research services and other benefits may create a conflict of interest between Five Oceans and its Clients. Specifically, Five Oceans receives a benefit because it does not have to produce or pay for the research, products, or services provided, and therefore may have an incentive to select a broker-dealer based on the Company’s interest in receiving the research or other products or services, rather than on its Clients’ interest in receiving most favorable execution.

#### **Trade Aggregation**

Five Oceans will aggregate transactions on behalf of more than one Client when deemed appropriate. In such cases, the transactions will be allocated to all participating Client accounts in a fair and equitable manner. Consistent with each participating Client’s disclosure document or Investment Management Agreement, Five Oceans may aggregate orders for more than one Client to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges.

Pro rata allocation is pursued when the size of the asset being purchased provides for an equal opportunity to all participating Client accounts to share in the asset based on the underlying account’s assets under management without creating odd-lots for the other accounts. In the event of a partial fill, the order is allocated among the participating Client accounts based on the size of each account’s original order, subject to rounding in order to achieve round lots. Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security will be aggregated with any remaining unexecuted orders and will continue in the same manner. If the remaining positions are too small to satisfy the minimum order amount, Five Oceans may decide to allocate remaining shares to those accounts whose orders would be completed as a result of the allocation.

### **Item 13 - Review of Accounts**

#### **Reviews**

Portfolio Managers are responsible for the daily monitoring of their respective portfolio(s) according to their regional expertise. The persons conducting the reviews are Five Oceans’ Chief Investment Officer, Portfolio Managers and Analysts.

As an additional control mechanism, the Five Oceans Investment Team analyses and reviews the portfolios at least once a fortnight. These analyses may include a review of similar accounts to ensure consistent implementation of strategies.

Reviews of Client accounts will also be triggered if a Client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Finally, compliance with Client investment restrictions is verified on a daily basis. The CCO is informed of the results and will follow-up if required.

#### **Nature and Frequency of Reports**

Five Oceans typically provides Clients and Fund Investors with written summaries of performance and portfolio characteristics, including top 10 holdings and sector and regional exposures. Summaries are provided either monthly or quarterly, depending on the Fund mandate or as outlined in the Investment Management Agreement. Reports and financial statements are issued in accordance with each Fund's disclosure document. Written reports to Institutional Clients are provided in accordance with the specific requests of each such Client.

### **Item 14 - Client Referrals and Other Compensation**

Five Oceans does not currently have any solicitation agreements for the US market.

In Australia, Five Oceans has a solicitation agreement with Challenger, through its subsidiary Fidante Ltd., pursuant to which Fidante Ltd. refers investment advisory clients to Five Oceans and Five Oceans pay Fidante Ltd., a specified percentage of the advisory fee charged to the client with respect to the provision of investment advisory services by Five Oceans.

In the UK and Europe, Five Oceans has a solicitation agreement with FP Investment Marketing Ltd ("FPIM") pursuant to which FPIM refers investment advisory clients to Five Oceans and Five Oceans pay FPIM, a specified percentage of the advisory fee charged to the Client with respect to the provision of investment advisory services by Five Oceans in addition to a monthly retainer. Francis Paxton, an employee of FPIM is currently seconded under agreement to Five Oceans Asset Management (UK) LLP, to provide investment marketing and associated advisory services in the UK and Europe. There is no direct compensation for this from Five Oceans as Mr. Paxton continues to be remunerated through Five Oceans' arrangement with FPIM.

### **Item 15 - Custody**

Five Oceans does not have custody of Client accounts. Clients receive account statements directly from their custodians on a quarterly or monthly basis. Clients are urged to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

### **Item 16 - Investment Discretion**

Pursuant to an Investment Management Agreement, Clients typically will retain Five Oceans on a discretionary basis. Where the Client chooses to grant investment discretion to Five Oceans, Five Oceans will have the authority to supervise and direct the investments of and for the Client's account without prior consultation with the Client. Pursuant to this discretionary authority, Five Oceans will determine which securities are bought and sold for the account, the total amount of such purchases and sales, the brokers or dealers through which transactions will be executed and the commission rates paid to effect the transactions.

As discussed in Item 4, with respect to separate accounts, Five Oceans' authority in some cases may be subject to conditions imposed by the Client (e.g., where the Client restricts or prohibits transactions in certain types of securities or directs that transactions be effected through specific broker-dealers).

## **Item 17 - Voting Client Securities**

Five Oceans, as a matter of policy and as a fiduciary to its Clients, has the responsibility for voting proxies in the best economic interests of the Clients. Five Oceans seeks to vote on all company resolutions, regardless of materiality, where it has authority to do so. Resolutions are considered on a case by case basis. Five Oceans will support the boards of companies in which it invests through the positive use of proxy votes, unless in Five Oceans view there is a good reason to do otherwise. Five Oceans receives advice on proxy voting and corporate governance issues from MSCI, a third-party proxy vendor. Five Oceans has mandated MSCI to analyse proposals and vote in accordance with Five Oceans proxy voting guidelines.

In instances where Five Oceans serves as the sub-adviser to a Client, the main adviser shall remain responsible for voting proxies on behalf of the Client unless it specifically designates the responsibility and authority to Five Oceans.

Five Oceans has not identified any material conflicts of interest in connection with past proxy votes. If Five Oceans identifies a material conflict of interest, it will abide by its Conflicts of Interest policy to ensure that all proxy votes are placed in the best interest of its Clients.

Certain Clients may, pursuant to the terms of their agreements with Five Oceans, have the right to direct Five Oceans' vote in a particular situation. Upon request, Five Oceans will provide Clients with information regarding the voting of all or any specific proxy on their behalf. To obtain a copy Five Oceans' policy and procedures or proxy voting records please contact your Servicing Representative or Five Oceans at +612 9994 7490.

## **Item 18 - Financial Information**

Under no circumstances does Five Oceans require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered. As an advisory firm, Five Oceans is required to disclose any financial condition that is reasonable likely to impair our ability to meet its contractual obligations. Five Oceans has no additional financial circumstances to report and has not been the subject of a bankruptcy petition at any time during the past ten years.