

**ITEM 1: Cover Page**

**ADV 2A BROCHURE**

**MORANT WRIGHT MANAGEMENT LIMITED**

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**September, 2014**

*This brochure provides information about the qualifications and business practices of **Morant Wright Management Limited** (“MWM” or the “Firm”). This is the Adviser’s initial registration filing with the SEC. If you have any questions about this brochure please contact us at 011 44 20 7499 9980 or email [enquiries@morantwright.co.uk](mailto:enquiries@morantwright.co.uk). The information presented in this brochure was prepared by Morant Wright Management Limited which is solely responsible for the content. Neither the Commission nor any State securities regulator has approved or verified the information contained in this brochure, and the mere fact of registration with the Commission in no way implies that the adviser has any particular level of skill or training to carry out its business. For specific questions about particular advisory services or products described in this brochure, you can find additional contact information at this worldwide website: [www.morantwright.co.uk](http://www.morantwright.co.uk).*

## **ITEM 2: Statement of Material Changes**

The last annual update of this Brochure was filed by the Firm with the SEC on September 10, 2014. There have been no material changes since the previous Annual Update filing.

## **IMPORTANT NOTE ABOUT THIS BROCHURE**

**This Brochure is not:**

- **an offer or agreement to provide advisory services to any person;**
- **an offer to sell interests (or a solicitation of an offer to purchase interests) in any MWM Fund;**
- **a complete discussion of the features, risks or conflicts associated with any MWM or Advisory Service;**
- **to be relied on in determining whether to invest or establish an advisory relationship.**

As required by the Advisers Act, the Firm provides this Brochure to current and prospective Clients and may also, in its discretion, provide this Brochure to current or prospective Investors in a MWM Fund, together with other relevant Offering Materials (such as subscription agreements, offering memoranda, operating agreements or advisory contracts), prior to, or in connection with, such persons' establishment or consideration of an investment advisory relationship with MWM or an investment in a MWM Fund. Additionally, this Brochure is available through the Securities and Exchange Commission's ("SEC's") Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of MWM, persons who receive this Brochure (whether or not from the Firm) should be aware that it is designed solely to provide information about MWM as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant Offering Materials. More complete information about each MWM Fund, as well as MWM's investment advisory services, is included in relevant Offering Materials, certain of which may be provided to current and eligible prospective Clients or Investors only by the Firm or an Administrator or Placement Agent. To the extent that there is any conflict between discussions herein and similar or related discussions in any Offering Materials, the relevant Offering Materials shall govern and control.

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## **ITEM 4: Advisory Business**

### ***a) Background***

Morant Wright Management Limited (“MWM,” “We” or the “Firm”), was founded in 1999 by Stephen Morant and Ian Wright, the principal owners, and specializes in Japanese equities and equity related securities. The Firm provides investment advice to certain collective investment funds (the “Funds”) and segregated accounts for a range of clients. The Firm also manages the assets of several individually managed accounts comprised in part of US Foundations and other US corporate entities. The Firm also acts as a sub-adviser to the assets of other investment advisers.

### ***b) Advisory Services***

The Firm focuses its investment strategy on Japanese equities through a disciplined research-based approach to stock selection. The Firm seeks to generate absolute returns by investing in undervalued Japanese companies that have strong balance sheets and/or business franchises. Stock selection is based on bottom up, fundamental analysis and starts with the balance sheet. Price to Book and Enterprise Value/Operating Profit ratios are given prominence. MWM are value investors with a keen interest in preserving capital. The Firm looks to identify companies whose share prices offer potential for significant appreciation over the longer term, but without undue risk.

### ***c) Tailored Advice and Client-Imposed Restrictions***

Each MWM and client account has its own investment objectives, strategies and restrictions. . MWM prepares offering materials with respect to each Fund that contains more detailed information, including a description of the investment objective and strategy or strategies employed and related restrictions. These serve as a limitation on MWM’s management. Separate Account Clients can also impose restrictions on MWM’s management through client agreements, investment policy statements, investment guidelines or otherwise.

While Separate Accounts may be reasonably tailored based on the individual needs of a client, as agreed with MWM, none of the Funds is tailored to the individualized investment needs of any particular investor (“Investor”). An investment in a MWM Fund does not create a client-adviser relationship between MWM and an Investor. Further discussion of the strategies, investments and risks associated with a MWM or Separate Account management is included in the relevant materials for each type of Client.

Clients and Investors must consider whether a particular MWM Fund or advisory relationship is appropriate to their own circumstances based on all relevant factors including, but not limited to, the Client’s or Investor’s own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective Clients and Investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant offering materials for

the Funds or the client agreements, investment policy statements, investment guidelines for Separate Accounts and the additional details about MWM's investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

*d) Wrap Fee Disclosure*

Not applicable.

*e) Assets Under Management*

As of July 31, 2014 MWM had approximately \$3.9 billion in assets under advisement ("AUM").

## **ITEM 5: Fees and Compensation**

MWM is generally compensated for its services through the receipt of management fees and performance fees or allocations (see also Item 6, below). MWM's compensation, as well as other costs associated with management by MWM, is discussed generally below and in more detail in relevant offering materials.

### *a) Compensation*

The Firm receives from each Fund an Investment Management Fee and, in the case of the MW Japan Fund only, a Performance Fee.

For the MW Japan Fund the Investment Management Fee is 1% per year of the Fund's Net Asset Value. The Fund may charge an initial charge of up to 3% which may be waived or discounted at the directors' discretion. The Performance Fee in respect of the A Shares is equal to 10 per cent of the appreciation of the Net Asset Value of the A Shares in excess of the Benchmark Return above the highest Net Asset Value of the A Shares achieved as of the end of any previous Calculation Period (or the date on which the Fund commenced business if there has not been any previous Calculation Period) and adjusted for subscriptions and redemptions of A Shares during the Calculation Period. The "Benchmark Return" is 103 per cent of the aggregate notional return which would have accrued during the Calculation Period had a sum equal to the Net Asset Value of the A Shares at the start of the Calculation Period been invested in the stock constituting TOPIX (the Tokyo Total Return Index) and converted into US Dollars throughout the Calculation Period.

For each Calculation Period, the Performance Fee in respect of the B Shares is equal to 10 per cent of the appreciation in the Net Asset Value of the B Shares above 110 per cent of the highest Net Asset Value of the B Shares achieved as of the end of any previous Calculation Period (or the date on which the Fund commenced business if there has not been any previous Calculation Period) and adjusted for subscriptions and redemptions of B Shares during the Calculation Period.

Without prejudice to the above, the Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all investors or to intermediaries part or all of the Management Fees and/or the Performance Fees.

MWM charges separately managed accounts fees which are similar in nature and amount to those charged to the Funds. The fees may be negotiable depending on the account size, the total investment by that client in all products, the aggregate investment by related accounts, the complexity of any additional guidelines provided by the client and other discretionary factors.

The Management Fee and Performance Fee are negotiable. The Firm, in its sole discretion, may waive or reduce the Management Fee and/or the Performance Fee or amend any other



restrictions with regard to investors that are employees or affiliates of the Firm, relatives of such persons, and for certain strategic investors.

#### *b) Other Expenses*

Clients are responsible for and do incur other expenses separate and apart from the Firm's investment management and performance fees. In addition to the fees described above, Clients, including the MWM Funds, bear other costs associated with investments or accounts including but not limited to: (1) custodial charges, brokerage fees, commissions and related costs; (2) borrowing costs including interest expenses; (3) taxes, duties and other governmental charges; (4) transfer and registration fees or similar expenses; [(5) costs associated with foreign exchange transactions; (6) other portfolio expenses; and (7) costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts.

Please see Item 12 of this Brochure for further details on MWM's brokerage practices.

#### **Funds**

Each MWM bears all costs of its trading and investment activities. Such expenses may include, but are not limited to, trading costs and fees (e.g., commissions or spreads for securities traded through brokers or dealers, exchange fees, clearing costs, and regulatory charges), delivery, escrow and custody expenses, research costs and expenses, taxes, insurance costs, interest expenses, acquisition costs, due diligence costs (including travel expenses), legal and accounting fees and expenses

Additionally, each Fund generally pays all of its ordinary organizational, offering, administrative, and operating expenses, including, but not limited to, ordinary and recurring legal, accounting, escrow, auditing, recordkeeping, administration, fund accounting, directors' fees, and certain clerical expenses including those incurred in preparing, printing and mailing reports and tax information to investors and regulatory authorities, expenses for specialized administrative services, filing fees, taxes, fees for specialized evaluation of borrowers, costs with respect to the use of third party valuation services and other similar expenses. Additional fees (e.g., wire transfer charges) may be imposed by service providers.

#### **Segregated Accounts**

As noted in Item 12 of this Brochure, MWM generally has authority to select broker-dealers to execute transactions for Segregated Accounts, but generally is not responsible for selecting custodians or other service providers to such Segregated Accounts. Clients bear all costs associated with trading and maintaining their investment accounts, as described above, including without limitation: commissions and commission equivalents; custody fees; margin costs (if any); taxes, duties and other governmental charges; custodial charges, brokerage fees, commissions and related costs; borrowing costs including interest expenses; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other

portfolio expenses; costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts; administrative and operating expenses, including, but not limited to, escrow, recordkeeping, administration, clerical, filing fees, and fees for specialized evaluation of borrowers, costs with respect to the use of third party valuation services and other similar expenses.

*c) Advance Billing*

As discussed above, with respect to the MWM and Separate Accounts, the management fee is payable monthly in arrears. Fees are not refundable for either funds or managed accounts.

*d) Sales-based Compensation*

Not applicable. Neither the Firm nor any of its employees or affiliates accepts additional compensation for the sale of securities or other services. The Firm or its affiliates and employees do not receive compensation for other services besides the investment advisory services we provide.

## **ITEM 6: Performance based fees and Side-by-Side Management**

MWM charges Clients (other than institutional cash management Clients) an incentive fee based on the annual performance of the client's portfolio. Incentive fees are only charged to "qualified clients" in accordance with Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act").

Performance-based compensation may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. MWM addresses such conflicts by following a thorough, detailed, and consistent investment decision-making process and by regular reviews of investments by the Firm's investment team. The performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized.

Like all investment advisers who advise multiple accounts or funds with different fee structures, or different pecuniary interests, MWM and its personnel face actual and potential conflicts of interest, including an incentive to favor those accounts in which MWM or its personnel have greater pecuniary interests over other accounts (e.g., personal investments in a Fund). Many of these conflicts are mitigated by MWM's relevant policies and procedures such as its Allocation Policy and Code of Ethics. As a general principle, MWM requires that potential conflicts of interest be addressed by placing Client interests before personal or proprietary interests. MWM also has instituted trading policies to promote fair treatment of Funds and Segregated Accounts based on considerations unrelated to pecuniary interests to ensure that, wherever possible and over time, opportunities are allocated in a fair and equitable manner.

**ITEM 7: Types of Clients**

MWM, together with its affiliated entities, provides advisory and investment management services to a number of collective investment schemes (the “Funds”) and separately managed accounts tailored to specific client mandates. Some of the Funds qualify for exemption from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”) under Section 3(c) (1) or Section 3(c) (7) of the Investment Company Act. Only qualified investors may acquire interests in the Funds.

The Firm’s separately managed accounts may include pension funds, insurance companies, banks, foundations, endowments, trusts, estates, family offices and other institutions. Investors in the collective investment vehicles primarily include US and non-US individuals, estates, charitable organizations, banks and corporations.

The firm also provides investment advisory services for offshore public funds registered on foreign exchanges and with foreign Regulatory Authorities.

The firm provides investment advisory services to US Foundations and charities along with other US and foreign institutional clients as individually managed accounts.

The minimum investment amount for each Fund is typically disclosed in the Fund’s prospectus. Minimum investment amounts may be waived in the sole discretion of the Firm.

The Firm normally requires a minimum \$50,000,000 for the management of individual or segregated accounts.

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

### *a) Methods of Analysis & Investment Strategies*

The Firm focuses its investment strategy on Japanese equities primarily by investing in strong but undervalued Japanese securities through a disciplined research-based approach to stock selection.

The Firm's stock selection is based on bottom up, fundamental analysis starting with the balance sheet. Price to Book and Enterprise Value/Operating Profit ratios are given prominence. MWM are value investors with a keen interest in preserving capital. MWM looks to identify companies whose share prices offer potential for significant appreciation over the longer term, but without undue risk. The Firm seeks to generate absolute returns for its clients by investing in equity and equity related securities of undervalued Japanese companies that have strong balance sheets and/or business franchises. The Firm may invest in stocks and related instruments (convertible bonds and warrant bonds). Additionally, MWM Funds or Separate Accounts may be focused or concentrated on particular types of instruments or issuers. All investments anticipate a risk of loss and there is no guarantee that any particular strategy will be effective or yield particular results or levels of return. As a result, MWM's products and services are not intended to represent a complete investment solution and it is expected that Clients and Investors maintain assets other than those advised by or invested through MWM. Clients and Investors are responsible for appropriately diversifying their assets to guard against any risk of loss.

### *b) Material Risks Associated with the Investment Strategies*

Investing in securities in general involves risk of loss that clients should be prepared to bear. Each Fund has risks which are specific to its particular investment strategies. For more information about the risks of each Fund, please see the offering memorandum for that particular fund. While MWM seeks to manage investments so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. MWM does not offer any products or services that guarantee rates of return on investments for any period to any Client or Investor. All Clients and Investors assume the risk that investment returns may be negative or below the rates of return of other investment advisers or products. Clients and Investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

There are risks inherent in the investment strategies pursued, and the financial instruments and trading methods used, by MWM. Key risks of loss which apply to the principal investment strategies employed by MWM are listed below. More detailed descriptions and explanations of the key risks of loss are included in relevant Offering Materials.

Generally, however, investors in MWM Funds and managed accounts are exposed to the following risks:

*Stock Market Volatility.* The prices of stocks in general, including those in which the Firm invests, may decline unexpectedly in response to negative economic, political, or industry specific developments. If you must sell when stock prices are depressed, your shares may be worth less than what you paid for them.

*Stock Selection Risks.* The price of one or more of the stocks the Fund owns could decline due to the adviser's error in judgment as to the true value of the company or adverse company developments the Firm fails to anticipate.

*Small and Mid-Size Company Risks.* Small and mid-size company stocks have historically been subject to greater investment risk than large company stocks. The prices of small and mid-company stocks tend to be more volatile than prices of large company stocks.

*Foreign investment risk.* To the extent the fund invests in companies based outside the US or the UK, it faces the risks inherent in foreign investing. Adverse political, economic or social developments could undermine the value of the fund's investments or prevent the fund from realizing their full value. Financial reporting standards for companies based in foreign markets differ from those in the US. Additionally, foreign securities markets generally are smaller and less liquid than US markets. To the extent that the fund invests in non-US dollar denominated foreign securities, changes in currency exchange rates may affect the US dollar value of foreign securities or the income or gain received on these securities. Foreign governments may restrict investment by foreigners, limit withdrawal of trading profit or currency from the country, restrict currency exchange or seize foreign investments. The investments of the fund may also be subject to foreign withholding taxes. Foreign transactions and custody of assets may involve delays in payment, delivery or recovery of money or investments.

*Custody.* The Funds and Separate Accounts will maintain accounts at certain banks, broker-dealers and other financial institutions where they will hold their assets in cash and certain cash equivalents pending use. The Funds and Separate Accounts, however, anticipate that their assets will consist primarily of interests in non-exchange traded debt and equity instruments which generally are not capable of being "custodied" in the traditional sense. Accordingly, at any given time a Fund's or Separate Account's account with its custodians may only contain a relatively small portion of the Fund's or Separate Account's assets. The Funds and Separate Accounts expect that any of their assets deposited with custodians will be clearly identified as being assets of the relevant Fund or Separate Account, and hence no Fund or Separate Account should be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or timing problems associated with enforcing a Fund's or Separate Account's right to its assets in the case of an insolvency of any such party.

### **ITEM 9: Disciplinary Information**

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

*a) Criminal or civil action*

None

*b) Administrative proceeding*

None

*c) Self-regulatory organization (SRO) proceeding*

None

**ITEM 10: Other Financial Industry Activities and Affiliations.**

*a) Registered Broker-Dealer or Registered Representative*

Not applicable.

*b) FCM, CPO, CTA or Associated Person*

Not applicable.

*c) Material Business Relationships with Certain Related Persons*

Not applicable.

*d) Recommendation and Selection of Other Investment Advisers*

Not applicable.



## **ITEM 11: COE, Participation or Interest in Client Transactions and Personal Trading**

### *a) Code of Ethics*

MWM believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. The Code describes MWM's policies regarding confidential client information and regulates personal trading activity. Securities holdings and transactions of all employees and their immediate family members are reviewed to determine compliance with the requirements of the Code. The Code also contains other restrictions and reporting requirements designed to limit personal conflicts of interest. These provisions apply to all employees of the Firm. All personnel are also required to comply with applicable federal securities laws. All personnel of the Firm must put the interests of the Firm's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of the Firm must also comply with all U.S. federal securities laws.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting us by e-mail at [enquiries@morantwright.co.uk](mailto:enquiries@morantwright.co.uk) or by telephone at +44 20 7499 9980.

### *b) Participation or Interests in Client Transactions*

MWM, its officers, members and employees may invest in any Fund for which the Firm serves as investment manager or adviser and in other investment opportunities such as an IPO, in which the Funds are participating. All such deals require prior authorization. The Firm will maintain records of all securities bought or sold by the Funds, the Firm, its associated persons and related entities. Files of securities transactions affected for related persons of the Firm will be maintained for review to detect and resolve any conflicts. The Chief Compliance Officer of the Firm will review all securities transactions of related persons of the Firm to ensure no conflicts exist with the Funds or individually managed account clients. Besides owning interests in the same Funds, however, no person related with the Firm is permitted to buy from, sell to, borrow from or lend to the any client.

The Firm also retains the discretion to invest for its own account in such investment vehicles, including the Funds, as it may choose.

### *c) Investment in Securities Recommended to Clients*

MWM's Supervised Persons are specifically prohibited from using their knowledge about pending transactions or investments currently being considered for personal profit, including by purchasing or selling such securities directly or indirectly. Employees are prohibited from investing in any security in which the firm has invested in or is considering investing. No

supervised person may invest in the universe of securities in which the firm specializes. The Firm has adopted a Code of Ethics imposing on each related person a duty to place the interests of the Funds first, to report to the Firm any actual or potential conflict of interest. The Code of Ethics requires each officer and employee of the Firm with access to the investments or portfolio information of the Funds (each an "Access Person") to report quarterly theirs and their immediate family member's securities holdings and transactions to the Firm's Chief Compliance Officer. In addition, each Access Person must pre-clear any personal trades with the Chief Compliance Officer. The Code of Ethics also imposes restrictions and safeguards on the use of material nonpublic information. A copy of the Adviser's Code of Ethics may be obtained by writing to the Firm or calling +44 20 7499 9980.

*d) Investment in Securities at or about the Same Time Recommended to Clients*

Not applicable

## ITEM 12: Brokerage Practices

### *a) Selecting or Recommending Broker-Dealers*

MWM is responsible for the placement of Fund and Separate Account portfolio transactions and the negotiation of any commissions paid on such transactions. Portfolio securities are normally purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the “bid” and the “ask” price. MWM may utilize the services of one or more introducing brokers who will execute the Funds’ or the Separate Accounts’ brokerage transactions through a broker or custodian who will clear the Funds’ or Accounts’ transactions.

The Firm has no obligation to deal with any particular broker-dealer in the execution of transactions for its clients. In selecting broker-dealers with whom to place orders for purchases and sales of securities on behalf of our clients, the Firm’s primary objective is to obtain best price and execution – that is, prompt, errorless, execution of orders at the most favorable prices reasonably obtainable. In doing so, the Firm considers a number of factors, including, without limitation:

- the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range),
- the financial strength of the broker-dealer,
- the reputation and stability of the broker,
- the efficiency with which transactions are generally executed,
- the ability to effect the particular transaction,
- the availability of the broker-dealer to stand ready to execute difficult transactions in the future, and
- other matters involved in the receipt of brokerage and research services.

MWM will also consider the quality of firms with which it seeks to execute client orders, the adequacy of lines of communication, timeliness of reports of order execution, the capacity to accommodate unusual trading volume and the preservation of client anonymity, among other factors.

#### 1. Soft-Dollars Arrangement

As a matter of policy, the Firm does not pay a commission in order to receive research or other services and, except in unusual circumstances, the commission negotiated would not exceed the Firm’s normal rate. Research or other services which may be received as a result of transactions

executed in client accounts are used to benefit all of the Firm's investment advisory clients. MWM presently does not participate in soft dollar arrangements.

## 2. Brokerage for Client Referrals

MWM may use a variety of broker-dealers to execute client transactions, some of which may also refer clients or investors to MWM or a Firm Fund. Such referrals can create a conflict of interest because they benefit the Firm without benefitting Clients or Investors. As a matter of policy, the Firm does not allocate brokerage to compensate any broker for, or in recognition of, Client or Investor referrals; however, MWM may select a broker-dealer that has referred, or may refer, business when doing so is consistent with the Firm's duty to seek best execution. To prevent brokerage commissions from being used to compensate brokers for past or expected referrals, the Firm will not allocate brokerage business to a broker that has referred or may intend to refer Clients or Investors unless the Firm determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the Fund or Account.

## 3. Directed Brokerage

The Firm does not accept clients who require us to execute transactions through a specified broker-dealer. Clients may recommend that we use their preferred broker-dealer(s). The Firm will use such broker-dealer(s) subject to our determination that said broker-dealer provides best execution of client transactions.

### *b) Aggregation of Trades*

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, orders are aggregated (bunched) and allocated pro-rata to the nearest round lot. In addition to considerations of equity, aggregation avoids placing competing orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders. The Firm has an allocation policy which ensures fair treatment between clients in respect of executed trades.

When investment opportunities become available only on a limited basis, MWM will first determine the client or clients for which the investment is appropriate. If the investment is appropriate for more than one client, the Firm will allocate the investment among eligible clients pro rata based on the net asset value of each client, giving appropriate consideration to the current capital available for investment by each client at the time the opportunity becomes available.

### **ITEM 13: Review of Accounts**

#### *a) Periodic Account Reviews*

The Compliance Officer on a monthly basis prepares a checklist for each fund and segregated account. The checklist verifies that the portfolios are consistent with the investment objectives as set out in the prospectus and the investment advisory agreement. Trades from the previous day are entered into the firm's internal trade management system and crossed referenced with a handwritten trading table prepared by the firm. In addition, the Firm uses the Linedata trade management system to prepare an internal electronic trade blotter.

Executing broker e-mails confirming the trades are entered into the trade management system as a cross reference and a subsequent check of the trades are made with the receipt of the confirmations. Compliance reviews of the portfolios are performed on a monthly basis by the Chief Compliance Officer and daily trade reviews are conducted by the Fund Manager and the Chief Compliance Officer who check for best execution against the VWAP.

#### *b) Client Reports*

The responsibility of reporting to clients on their accounts is with the Custodian for the managed accounts and the Administrator for the Funds. Both service providers deliver monthly account statements in satisfaction of this responsibility.

#### **ITEM 14: Client Referrals and Other Compensation**

In the future, The Firm may enter into written solicitation arrangements with third parties (each a “Solicitor”). Under a solicitation arrangement, the Firm may pay a referral fee to a Solicitor when the Solicitor successfully introduces a client or fund investor to the Firm. The amount of compensation is based on a negotiated percentage of the management and incentive fees received by the Firm from each client. The solicitation arrangement does not affect the amount of fees paid by each client. The Firm has no written solicitation arrangements with third parties at present. Should the Firm enter into such agreements all such arrangements will comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

## **ITEM 15: Custody**

Due to certain arrangements, the Firm may be deemed to have “custody” of client accounts, including the Funds within the meaning of Rule 206(4)-2 under the Advisers Act.

Where the Firm is deemed to have custody of the assets of a Segregated Account, the custodian(s) for such account will send to the client periodic account statements (generally on a quarterly basis) indicating the amounts of any funds or securities in the custodial account as of the end of the statement period and any transactions in the account during the statement period. Clients should review these statements carefully and should immediately notify the Firm if account statements are not received from the custodian on at least a quarterly basis. To the extent the Firm, pursuant to the relevant advisory contract or otherwise, separately provides reports or account statements, Clients should compare MWM’s statements carefully to the account statements received from the custodian. If there are any discrepancies between the account statements, please contact the Firm immediately.

Where MWM is deemed to have custody of a Fund’s cash or securities, the Firm provides (or causes to be provided) to each Investor in the Fund a copy of the Fund’s audited financial statements within 120 days following the relevant Fund’s fiscal year end. Investors who do not receive audited financial statements timely should contact the Firm immediately.

In the services MWM provides currently to its Advisory Clients, MWM is of the view that it does not have custody of the assets of its Advisory Clients. MWM may have custody over Advisory Clients in the future and will maintain then such assets of the Advisory Clients in accounts with a “qualified custodian” pursuant to Rule 206(4)-2 under the Advisers Act.

**ITEM 16: Investment Discretion**

The Firm generally manages client assets in a discretionary basis with the authority to determine for each client what investments are made, as well as when and how they are made. For certain clients, their assets may be invested in one or more model portfolios, but clients may impose reasonable restrictions, limitations or other requirements with respect to their individual accounts.



## **ITEM 17: Voting of Client Securities**

### ***a) Proxy Voting Authority***

The Firm typically has authority to vote client securities with respect to those accounts where MWM has investment discretion and lacks authority to vote client securities when it lacks investment discretion; however, some discretionary clients may reserve for themselves voting discretion. When MWM has voting authority, it will vote in accordance with its written proxy voting policies and procedures, which are summarized below and available to clients and Investors on request. The Firm will also provide, to a client or Investor, information about how that client's securities or securities held by the relevant Fund, as applicable, were voted. MWM has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act. The following is a summary of its Policies and Procedures:

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

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

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

The Firm also has the flexibility to abstain from a particular proxy vote when it is determined to be in the best interest of investors. Please contact the Firm's CCO if you have any questions about these procedures or if you would like detailed information about how any proxies were actually voted.

It is expected that, when the Firm has been granted discretionary voting authority, it will exercise that authority consistently in accordance with the proxy voting policies described above. As a

result, the Firm will not accept requests from clients or Investors to direct voting as to a particular solicitation.

Investors may obtain a free copy of the Firm's Proxy Voting Policy upon request by telephone at +011 44 20 7499 9980. The Firm maintains copies of all proxies and a record of how they were voted so that it may respond to any questions investors may have regarding them.

*a) Client Proxy Voting Authority*

Clients who do not grant the Firm discretion to vote proxies on their behalf are responsible for voting their own proxies and, if they desire to do so, must arrange to receive proxy materials from the relevant custodians or transfer agents. The Firm does not provide any proxy related information, or advice as to how to vote proxies, to such clients.

**ITEM 18: Financial Information**

No financial events have occurred to MWM that would negatively affect the financial viability of the Firm. There is no financial condition of MWM that is reasonably likely to impair MWM's ability to meet contractual commitments to clients.

*a) Financial Disclosures*

Not Applicable.

*b) Material Financial Impairment*

Not Applicable.

*c) Bankruptcy Petitions*

Not Applicable.