

Item 1 Cover Page

A. The cover page of your brochure must state your name, business address, contact information, website address (if you have one), and the date of the brochure.

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Note: If you primarily conduct advisory business under a name different from your full legal name, and you have disclosed your business name in Item 1.B of Part 1A of Form ADV, then you may use your business name throughout your brochure.

B. Display on the cover page of your brochure the following statement or other clear and concise language conveying the same information, and identifying the document as a "brochure":

This brochure provides information about the qualifications and business practices of Matterhorn Investment Management LLP ("MIM"). Further information on MIM can be found on [www.matterhorninvestment.com](http://www.matterhorninvestment.com). If you have any questions about the contents of this brochure, please contact us at +44-20-7340-2800 and/or [ewan@matterhorninvestment.com](mailto:ewan@matterhorninvestment.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. Additional information about MIM is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

C. If you refer to yourself as a "registered investment adviser" or describe yourself as being "registered," include a statement that registration does not imply a certain level of skill or training.

Matterhorn Investment Management LLP is a registered investment adviser but this registration does not imply a certain level of skill or training.

Item 2 Material Changes

If you are amending your brochure for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the brochure or on the page immediately following the cover page, or as a separate document accompanying the brochure. You must state clearly that you are discussing only material changes since the last annual update of your brochure, and you must provide the date of the last annual update of your brochure.

There are no material changes since the previous annual update.

Note: You do not have to separately provide this information to a client or prospective client who has not received a previous version of your brochure.

### Item 3 Table of Contents

Provide a table of contents to your brochure.

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Note: Your table of contents must be detailed enough so that your clients can locate topics easily. Your Brochure must follow the same order, and contain the same headings, as the items listed in Part 2A.

### Item 4 Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

MIM is a dedicated global emerging market equity specialist offering pooled fund strategies and tailored products, based on original independent research insights. Founded in 2002, MIM has developed into a substantial investment institution based in London. The Matterhorn Group also has an office in Hong Kong. Mr Paul Bate is the principal owner of MIM and the Matterhorn Group.

Notes: (1) For purposes of this item, your principal owners include the persons you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, your Form ADV: Part 2A Page 2 must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

MIM is a dedicated global emerging market equity specialist offering pooled fund strategies and tailored products, built on original independent research insights. Our well resourced, experienced team manages investments on behalf of our clients.

MIM manages four long/short equity hedge funds and one long only fund (in addition to some managed accounts):

**The Palmyra Fund:** aims to capture the potential for significant growth in the value of companies operating in the emerging markets, investing across multiple sectors and market caps. The Fund

executes a fundamental, bottom-up stock picking investment strategy with a strong emphasis on downside protection.

**The Breithorn Fund:** aims to capture the potential for significant growth in the value of special situation companies operating in the emerging and frontier markets, investing across multiple sectors in small and mid market cap stocks. The Fund executes a fundamental, bottom-up stock picking investment strategy.

**The Annapurna Fund:** aims to achieve high capital appreciation by building concentrated positions in a diversified portfolio of undervalued, non-consensus, high-conviction, high-growth equities. The Fund will exploit both long and short positions, primarily in global emerging markets, and generally with a mid-capitalisation bias. The higher risk strategy is optimised by managing downside risk through an additional overlay of market, sector, stock, currency and/or volatility hedging, as determined by market conditions.

**The Wildhorn Fund:** aims to capture the potential for significant growth in the value of special situation companies operating in the emerging and frontier markets, investing across multiple sectors in small and mid market cap stocks. The Fund executes a fundamental, bottom-up stock picking investment strategy.

**The Matterhorn Global Emerging Markets Fund:** aims to capture the potential for significant growth in the value of companies operating in global emerging and frontier markets, investing across multiple sectors and market caps. The Fund is long only and executes a fundamental, bottom-up stock picking investment strategy.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

MIM tailors its investment management services to clients by strategy. Clients may request to impose restrictions on investing on certain securities but not on markets or instruments.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

MIM does not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.

The Matterhorn Group manages US\$220 million AuM as of end of May 2014 on a discretionary basis. Matterhorn does not offer non-discretionary asset management services.

Note: Your method for computing the amount of “client assets you manage” can be different from the method for computing “regulatory assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “client assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your brochure in response to this Item 4.E.

## Item 5 Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

MIM receives both a Management Fee and a Performance Fee from its funds under management.

For the main Funds and Managed Accounts:

- (i) A Management Fee up to 1.5% per annum is calculated and charged monthly based on gross assets under management; and
- (ii) A Performance Fee up to 20% is paid on each funds' net appreciation in any calculation period, subject to a high water mark basis and/or a hurdle.

All fees are documented in each Fund's prospectus. The fees are not negotiable.

Note: If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

MIM is not allowed to hold client assets. All client assets are held by independent Prime Brokers and Administrators. As such, the various Funds and Managed Accounts will be invoiced for Management Fees and Performance Fees incurred and paid by the respective Administrator. Fees are payable either monthly, quarterly or annually, depending on the Fund.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Various other fees and expenses are paid by each Fund or Managed Account. These include:

Each Fund will pay (i) Administrator fees ranging from 0.08% and 0.15% per annum (depending on level of assets and subject to various annual minimums); (ii) various brokerage and custodial services performed by Prime Brokers; (iii) various brokerage fees performed by external brokers; (iv) various sub-custodian fees; and (v) other fees including directors fees and related expenses, legal, accounting and audit fees, insurance costs, any listing costs and other administrative expenses.

Each Managed Account will be subject to similar 'other' fees and expenses. However, as clients often just mandate MIM a fund to manage, a number of these fees and expenses are unknown.

All Funds managed by MIM have an Offering Memorandum and/or a Private Placement Memorandum. Full details of all fees and brokerage can be found therein.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

All fees are payable in arrears.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

MIM does not enter into these types of arrangement.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for Form ADV: Part 2A Page 3 disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

N/A

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

N/A

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

N/A

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

N/A

Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes.

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

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

MIM manages a number of Funds and Managed Accounts which pay management and performance fees as set out in Item 5 above. All Funds and Managed Accounts are subject to a number of actual and potential conflicts of interest and it is the policy of MIM to ensure that if a conflict of interest arises, MIM will look to resolve such conflicts in a fair and equitable manner.

Details of potential conflicts of interest, and how MIM may deal with them, appear in each of the Funds' offering memoranda under the heading 'Conflicts of Interest'. One of the main potential conflicts of interest is how MIM allocates investment ideas across its funds under management in a fair and equitable manner. All portfolios are 'grouped' by strategy and managed by MIM on a strategy basis. Each strategy is likely to consist of one Fund and one or more Managed Account. As such, when investment ideas are acted upon and trades executed, they are applied to all portfolios in one or

more strategy depending on such strategy, on a pro-rata basis as determined by the AuM in each portfolio. This negates any related conflict of interest across the various funds managed by MIM.

#### Item 7 Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

MIM generally provides investment management services to hedge funds, long only funds and managed accounts whose investors ultimately are made up of HNW individuals, private banks, investment companies, endowments, pension funds, charities and family offices – offices set up to manage the wealth of either a single family or group of families.

Minimum investment size is determined by the Investment Management Agreement/Prospectus for each individual fund.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

MIM's investment philosophy is based on original fundamental research and independent judgement in valuing stocks. It is captured in the firm's motto "original thought through independent research".

The investment philosophy of all MIM's Funds and Managed Accounts is long/short or long equity investing via bottom-up fundamental value stock selection. All funds invest in the broad 'theme' of Global Emerging Market growth.

Each Fund or Managed Account invests in a concentrated portfolio of high conviction investments in non-consensus, or 'uncrowded', stocks that are strategically attractive, highly cash generative and have strong alpha potential but where the investment story has not yet been widely recognized by the market. Each position in the portfolio receives a fully independent due diligence analysis by Matterhorn's equity analysts – including a comprehensive qualitative assessment (strategic positioning, management, operations, wider operating environment, etc) and full financial modelling. All research is original and conducted independently.

As investors, not speculators, we believe that market timing is a risky and impossible endeavour and hence we do not try to time markets or to predict participant behaviour but rather focus on the underlying value of our investments over the longer term. However, each Fund or Managed Account aims to remain nimble by maintaining a strong focus on liquidity in order to be able to move quickly into and out of positions as the investment rationale changes. Each Fund or Managed Account (where relevant) operates an active risk overlay to hedge the portfolio, being willing to sacrifice some of the upside investment potential to protect client capital on the downside.

This investment philosophy is closely linked to the Investment Manager's primary goals of capital preservation and growth.

Potential Risk of Loss:

An investment in one of MIM's Funds or Managed Accounts involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund's or Managed Account's investment program will be successful, or that the Fund's or Managed Account's returns will exhibit low correlation with an investor's traditional securities portfolio. The Fund or Managed Account may utilise investment techniques which can involve substantial volatility

and can, in certain circumstances, substantially increase any potential adverse impact to which the Fund's or Managed Account's investment portfolio may be subject. The offering memoranda for each of MIM's Funds contain an Appendix entitled 'Certain Risk Factors' which sets out a variety of considerations which prospective investors should consider before they determining whether an investment in the Fund is a suitable investment.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

MIM's risk management philosophy is closely linked to the Fund's goals of capital preservation and growth. The risk management process's primary goal is to ensure that the Fund is appropriately compensated for the risk it takes.

MIM's risk management approach can be broken down into three steps:

*1. Philosophy:*

- Aim to remove undesirable risks without limiting the ability of the fund manager to take desired risks;
- Ensure that the Fund is appropriately compensated for the risk it takes;
- The primary step towards doing this is accurately measuring risks within the portfolio;
- Be proactive not reactive; and
- Place a strong emphasis on asset-liability matching.

*2. Standards*

- Maintain an independent risk management team;
- Maintain an independent compliance officer;
- Embrace best industry practices (FCA, SEC, HFSB);
- Maintain transparency;
- Diversify counterparty risk; and
- Only use world-class third party service providers.

*3. Risk Management Tools*

- Use comprehensive tri-partite risk management process:

*1. Procedural Approach*

*2. Objective Approach*

*3. Quantitative Approach*

- Apply through proprietary MIST© Risk Management software.



Further to active risk management a clearly defined process to mitigate non-investment and investment risks is executed. Firm wide understanding of portfolio risks is paramount and weekly risk meetings ensure that risks are discussed with all members of the investment team.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

N/A; MIM is an investment management firm.

#### Item 9 Disciplinary Information

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

NONE

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

NONE

3. was found to have been involved in a violation of an investment-related statute or regulation; or

NONE

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

NONE

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person



1. was found to have caused an investment-related business to lose its authorization to do business;

NONE

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

(b) barring or suspending your firm's or a management person's association with an investment-related business;

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

NONE

- C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business;

NONE

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

NONE

Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).

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

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

N/A : MIM has no other financial activities other than the investment management services mentioned in the form

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

N/A

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if

the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

NONE

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

MIM does not recommend or select other investment advisers for its clients.

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

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

MIM has adopted a Code of Ethics (the "Code") which obligates the firm's principal and all employees to put the interests of MIM's clients before their own personal interests. The Code has been designed to comply with the standards set forth by the FCA and Rule 204A-1 under the US Investment Advisers Act of 1940, as amended.

Under the Code, the firm's principal and all employees are required to disclose their securities holdings and any business activities. Personal account dealing in securities by the firm's principal and all employees is subject to pre-clearance by the Compliance Officer or his designee, following which the principal or employee will have 24 hours in which to deal. Holding periods apply to all purchases and sales of securities in personal dealing accounts. Client fund transactions will at all times come before any personal account dealing and as a result, certain securities may not be traded by the firm's principal or any employee during certain periods. Statements of Holdings of the firm's principal and all employees are obtained by the Compliance Officer on a timely basis, with all trading fully reviewed and checked.

MIM maintains a Restricted List which is composed of companies whose securities are subject to certain trading prohibitions due to MIM's business activities. All Client accounts and personal dealing accounts are prohibited from making trades in securities whilst on the Restricted List.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Answering B, C and D :

For all MIM employees and principal, all personal dealing must be signed off by the Compliance Officer prior to a transaction taking place. Once signed off, the employees/principal have 24 hours in which to deal. The Compliance Officer will only allow transactions which are not in conflict with the funds under management.

Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.

## Item 12 Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not rely on broker reports and recommendations, however local brokers can be useful in gaining access to senior management for the first time, providing macro environment commentary and arranging logistics on the ground. Importantly, we have conditioned key individuals within these firms to introduce only original ideas, knowing that these are what we seek.

We believe that our general levels of commission given to broker-dealers are in-line with market levels, and will also depend on which market the shares are being dealt.

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

General local commission-give is described under A above; and in accordance with regulatory rules and guidance, soft dollar commission is only used for the purchase of independent research and analysis services, and the supply of market data for execution services. MIM has a fully documented softing policy and discloses soft dollar commission paid on a six monthly basis. All funds and managed accounts pay soft commission and this is generally linked in percentage terms to the overall commission paid by each fund or managed account in any given period.

Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

- c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.
- d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.
- e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

- f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Given the limited size of soft dollar benefits received, Matterhorn has only two soft dollar agreements in place (with Louis Capital Markets LLP and MINT/BGC Brokers).

- 2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

We have no incentive to select or recommend a broker-dealer on the basis of client referrals. However, Prime Brokers to the funds do on occasion make introductions of investors interested in the funds but this is part of their general business.

- a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.
- b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

### 3. Directed Brokerage

- a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

MIM directs all commission give. This is outlined under 12A above.

- b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Note: If your clients only have directed brokerage arrangements subject to most favourable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Should MIM be buying (or selling) shares at the same time for more than one fund, we will aggregate the order. Should the order be only partially filled, the allocation for each fund will be done on a pro-rata basis.

#### Item 13 Review of Accounts

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

The Fund Manager is responsible for managing all funds and managed accounts. This is carried out on an ongoing basis. Decisions are made by the Fund Manager in consultation with the equity research team, risk management team and traders.

Portfolios are fully reviewed in a weekly Risk Meeting attended by the Fund Manager, the risk management team, the equity research team, traders and the compliance officer.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

As indicated under A above, all funds and managed accounts are reviewed on an ongoing basis.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

For all funds, the following reports are sent (i) NAV – sent weekly by email on request; (ii) Factsheet (written) – sent monthly; (iii) Newsletter (written) – sent monthly or quarterly depending on fund; and (iv) Flash Notes (written) – sent periodically. For managed accounts, information, reports and other detail are sent as agreed with the underlying investor.

#### Item 14 Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

N/A

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

N/A

Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

#### Item 15 Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-

dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

In accordance with FCA regulatory rules, MIM does not have custody of any client assets.

#### Item 16 Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

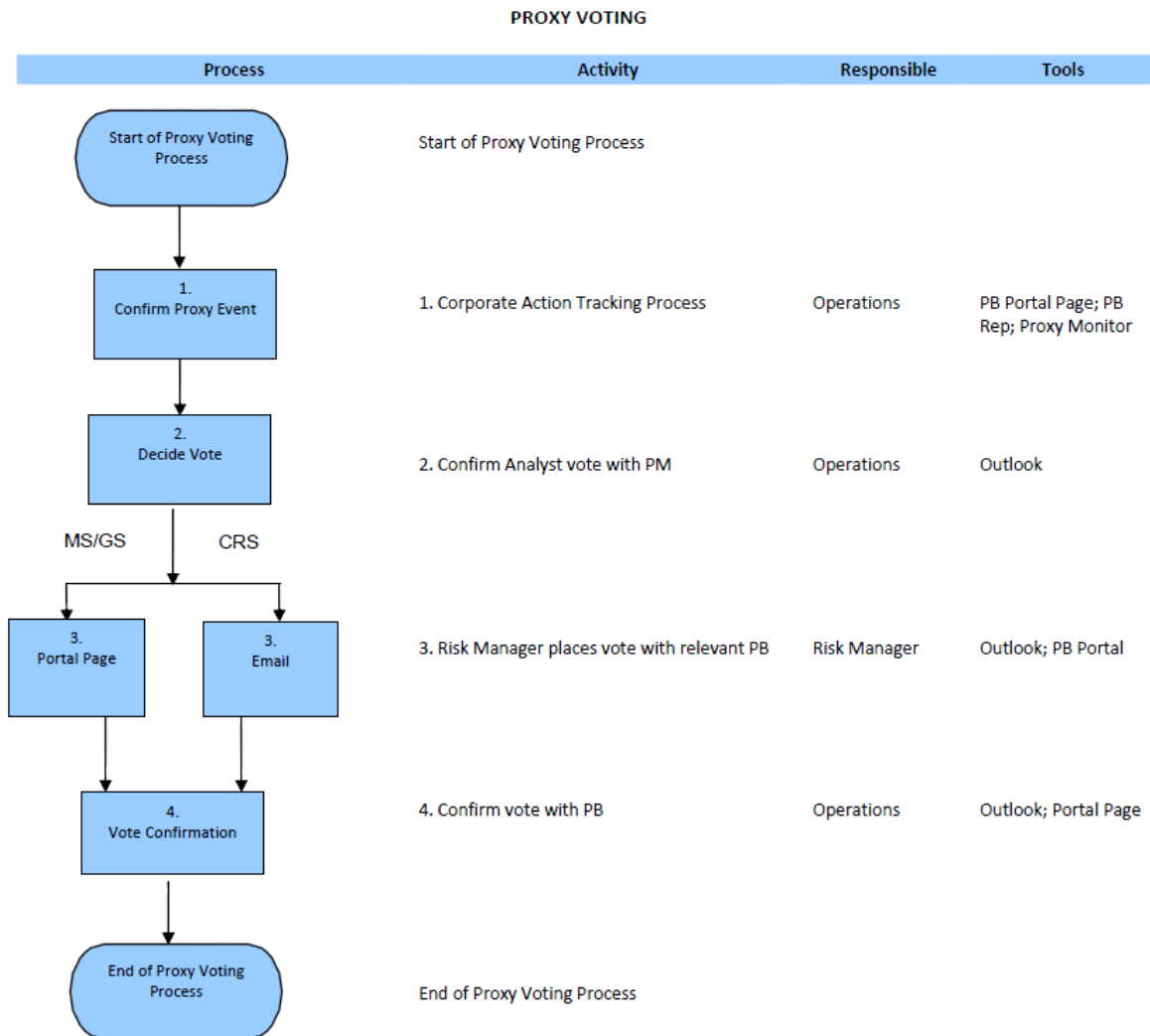
MIM has signed Investment Management Agreements for all funds and managed accounts, giving the firm discretionary authority to manage the portfolios on a discretionary basis, subject to the investment objectives, strategies and policies set out in the applicable client documentation.

#### Item 17 Voting Client Securities

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

The final decision lies with the portfolio manager and under normal circumstances clients cannot direct voting preferences. Diagram below to show the process.

Some managed accounts may not give MIM authority to vote on their underlying securities either outright, or unless prior permission is granted by the underlying client.



B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

### Item 18 Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

All fees are payable in arrears

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

2. Show parenthetically the market or fair value of securities included at cost.



3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.

Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

MIM is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

MIM has not been the subject of any bankruptcy petition at any time during the past ten years.

**If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.**

#### Item 19 Requirements for State-Registered Advisers

A. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

N/A

B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

N/A

C. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a supervised person are compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

N/A

D. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

N/A

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

E. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

N/A