



Lion Global Investors Limited  
Incorporated in the Republic of Singapore  
Co Reg No: 198601745D  
A member of the OCBC Group

## **Form ADV Part 2A**

**Lion Global Investors**

**Limited**

65 Chulia Street

#18-01 OCBC Centre

Singapore 049513

Phone: (65) 6417 6800

<http://www.lionglobalinvestors.com>

CRD No.: 159144

SEC File No.: 801-72993

Date of Brochure: 7 March 2014

This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices, of Lion Global Investors Limited ("Lion Global Investors").

We are providing you this material in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered investment adviser to provide a written disclosure statement prior to entering into an advisory relationship.

Lion Global Investors is authorized and regulated in Singapore by the Monetary Authority of Singapore.

**This Brochure provides information for our US clients and prospective US clients. In general, the provisions of the US Investment Advisers Act of 1940 ("Advisers Act") and this Brochure do not apply to our non-US clients.**

**This Brochure is not an offer to sell nor a solicitation to invest in any security described herein.**

The information in this document has not been approved or verified by the US Securities and Exchange Commission (SEC), the Monetary Authority of Singapore or by any other securities authority or regulator. Registration with the SEC does not imply a certain level of skill or training. Additional information about Lion Global Investors is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you have any questions about the contents of this document, please contact us at [americas@lionglobalinvestors.com](mailto:americas@lionglobalinvestors.com).

## **Item 2 – MATERIAL CHANGES**

The following are material changes since the date of our last annual update of this Brochure on 28 March 2013.

- Simon Richard Flood has left the firm and Gerard Lee How Cheng has been appointed as the Chief Investment Officer on 1 July 2013.
- Patricia Chan Pohlin has been appointed Chief Marketing Officer on 10 June 2013.

In addition, disclosure has been updated throughout this document. Clients and prospective clients are encouraged to read our Brochure in its entirety.

## Item 3 – Table of Contents

Item 4 – Investment Advisory Business .....	5
Item 5 – Fees and Compensation .....	6
Item 6 – Performance-Based Fees and Side-By-Side Management .....	6
Item 7 – Types of Clients .....	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9 – Disciplinary Information .....	11
Item 10 – Other Financial Industry Activities and Affiliations .....	11
Item 11 – Code of Ethics, Participations or interest in client transactions and personal trading .....	12
Item 12 – Brokerage Practices .....	13
Item 13 – Review of Accounts .....	15
Item 14 – Client Referrals and other Compensation .....	15
Item 15 – Custody .....	16
Item 16 – Investment Discretion .....	16
Item 17 – Voting Client Securities .....	16
Item 18 – Financial Information .....	17

## Item 4 Investment Advisory Business

### History of Lion Global Investors

Lion Global Investors is a Singapore-based asset management firm specialized in managing Asian equities and fixed income. With roots stretching back to 1986, Lion Global Investors (formerly known as Lion Capital Management Limited) was formed in September 2005. The firm was the result of the merger of two predecessor firms, OCBC Asset Management Limited (established in August 1986) and Straits Lion Asset Management Limited (incorporated in August 1996).

### Ownership of Lion Global Investors

Lion Global Investors is 70% owned by Great Eastern Holdings Limited ("Great Eastern") and 30% owned by Orient Holdings Private Limited, a wholly-owned subsidiary of Oversea-Chinese Banking Corporation Limited ("OCBC Bank").

Established in 1912, OCBC Bank is one of the largest financial services groups in Southeast Asia by assets. Great Eastern, a subsidiary of OCBC Bank, is the oldest life insurance group in Singapore and Malaysia. Both OCBC Bank and Great Eastern (collectively our "Parent Companies") are publicly-traded companies on the Singapore Stock Exchange.

### Assets under Management

As of 31 December 2013, we manage US\$24.4 billion of client assets, of which approximately 91% are managed on a discretionary basis and 9% are managed on a non-discretionary basis.

### Our Investment Advisory Services

We offer professional investment advisory services on a discretionary and non-discretionary basis. In most cases, the advisory services we provide involve continuous investment management in accordance with the stated investment objectives and policies of each client.

Our clients generally negotiate and enter into an investment management agreement with us. Such an agreement will typically govern the relationship between the client and us as well as the roles and responsibilities of both parties. The negotiation with our clients of the terms of investment management agreements with them allows us to tailor our advisory services to their needs. Our separately managed account clients may specify and impose investment restrictions and guidelines in the investment management agreements, including limitations on the types of securities allowable in the portfolio and the percentage of exposure of the portfolio to certain types of securities.

We provide our advisory services to separately-managed accounts (typically available to institutional investors, but also available to selective high-net worth individuals) and to pooled investment vehicles that we advise or sub-advise. We currently sponsor and/or advise more than 36 collective investment schemes that are domiciled outside of the US and that are generally not open to investment by US persons.

We may act as sub-adviser to one or more investment companies that are registered under the Investment Company Act of 1940.

### Our approach to investing

Our investment process is underscored by our proprietary, independent research capabilities and a team of more than 40 investment professionals. We deploy a wide variety of portfolio management styles

and philosophies and we trade, on behalf of our clients, in equities, fixed income and currencies. Asia is our core region of focus. At the same time, we have teams dedicated to other markets, including Europe and Japan. We may make asset allocations across the categories and geographic regions mentioned.

Client accounts are managed by individual portfolio managers or by teams of portfolio managers in which investment decisions are typically taken collectively. In either case, the portfolio managers are supported by analysts who specialize in a given geographic region, sector and/or asset class. These teams are the Japan Equities Investment Team, the Asia Pacific ex-Japan Equities Investment Team, the European Equities Investment Team, the Multi Asset Strategies Team and the Fixed Income Team.

## **Item 5 . Fees and Compensation**

Our fees for providing advisory services are generally negotiable and can vary depending on the investment objective and type of account. The negotiation of fees may result in similarly situated clients paying different fees for comparable advisory services.

The management fees charged to clients for our advisory services are generally based on an annual percentage of the value or size of assets under management, as determined by us in good faith or by a client's custodian or other administrator. The specific manner in which fees are charged by us is established in a client's investment management agreement with us. Under our standard investment management agreement, we will generally bill our fees on a quarterly basis, in arrears.

Clients may elect to be billed directly for fees. Management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any account, any earned, unpaid fees are due and payable. Clients do not and cannot pay any advisory or management fees in advance.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties which can include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, commissions and/or "spreads" and other fees and taxes on brokerage accounts and securities transactions. Please see Item 12 below for a more detailed discussion regarding our brokerage practices. Mutual funds and exchange traded funds in which we may invest on behalf of clients also charge internal management fees. We will selectively place non-US clients in investment funds we sponsor and/or advise, subject to appropriateness. We do not engage in this activity in relation to U.S clients.

The pooled investment vehicles we manage or sub-advise typically have different billing arrangements based on the methodology established by the product sponsor or administrator, and as set forth in each fund's offering document. No supervised persons of Lion Global Investors accept compensation for sale of securities or other investment products in relation to US clients.

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

We have in place performance/incentive fee arrangements with qualified clients. We will structure any performance or incentive fee arrangement relating to US clients according to the requirements of the Investment Advisers Act of 1940 (the "Advisers Act"). In measuring clients' assets for the calculation of

performance-based fees, we will include realized and unrealized capital gains and losses.

While we believe that performance-based fee arrangements align our interests with the interests of our clients who are subject to those fees, we also recognize that performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts, including accounts that are charged no performance-based fees, in the allocation of investment opportunities.

We have adopted policies and procedures that seek to mitigate any such conflicts presented by our performance-based fee arrangement and to ensure that all clients are treated fairly and equally. These policies include fair and timely allocation of investment opportunities across clients' accounts, best execution of all client transactions, and the investment and voting policy, amongst others.

## Item 7 . Types of Clients

We provide advisory services to a variety of client types. Clients may include:

- Individuals, Personal Trusts and Estates — Private investors who place personal assets in separately managed accounts managed by us;
- Registered US investment companies and/or investment advisers to these registered US investment companies;
- Non-US private funds — Collective investment pools organized and authorized in Singapore and other foreign jurisdictions that are not open to investment by US persons;
- Non-US Pension and Profit Sharing plans — Generally organized as a trust, investing the pooled assets of plan participants;
- Charitable Organizations, Foundations and Endowments — Non-profit entities investing contributions to support a stated mission or mandate;
- Corporations — Taxable entities organized for a specific business purpose, investing cash reserves;
- Governments and government-connected organizations.

We generally require institutional clients to have a minimum account size of \$20,000,000 to receive discretionary investment advisory services. However, we may consider waiving the account minimums in our sole discretion after considering factors including the number of accounts managed for a client, the nature of services rendered, any special requirements of the account(s) managed and the totality of the relationship between us and the client.

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

### Methods of Analysis

We use a variety of methods of analysis for our investment mandates based on the objectives and strategies of the clients involved. The primary methods of analysis we employ are the following.

- i. **Fundamental analysis.** We attempt to measure the value of a security by looking at economic

and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself). These are then compared with sell-side research to assess if there is any potential to benefit from any divergence of our in-house view from market consensus.

- ii. **Cyclical/Technical analysis.** We analyze past market movements and measure the movements of a particular stock against the overall market in an attempt to predict the future price movement of the security.

In performing our own analysis, we consider information from a variety of sources. These sources include financial periodicals and other media outlets as well as third-party research from broker-dealers and other providers which are generally used to obtain data and general market trends. More information on our practices relating to obtaining research from broker-dealers is available in Item 12.

These methods of analysis are generally designed for strategic, long-term investing. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. The resulting investment returns are highly dependent on the value of the underlying securities and are impacted by trends in their respective investment markets.

#### **Investment Strategies**

In managing our client portfolios, we may utilize an Asian equity investment strategy, an Asian fixed income investment strategy or a combination of the two. Within these strategies, portfolios may focus on a single country. Client portfolios with similar investment mandates, strategies and guidelines are generally managed similarly, although results among client portfolios may vary significantly based on a number of factors including a client's stated risk profile and objectives, the fees and expenses to which a client is subject, timing and other elements and any investment restrictions or guidelines specified or imposed by clients. Information about these strategies and the risks associated with each is provided below.



**Asian Equity Portfolios****Investment Strategy:**

We believe that the Asian equity markets are structurally inefficient and are likely to remain so for the foreseeable future. This inefficiency provides multiple alpha-generating opportunities through the application of rigorous fundamental analysis and macro thematic overlays as part of a disciplined investment process. Stock selection is critical and underscores the performance of our conviction based portfolios.

We also believe that in the context of the Asian equity markets, that the dogmatic adherence to any one particular investment style will not be rewarded on a consistent basis. Accordingly, we do not adopt a strict value or growth approach as we believe that investors need to be more flexible given that the markets tend to move in distinct phases.

Due to their state of maturity, the economies and markets in Asia are constantly evolving and this creates opportunities to add value through the intelligent assessment of the impact of such change and the careful selection of stocks which will benefit from the changes identified, while avoiding those stocks likely to be negatively impacted. We have therefore adopted an agnostic approach with respect to style, and instead look to build a portfolio that is exposed to the positive longer term structural changes underway, whilst still being aware of shorter-term cyclicity. Any style bias towards growth or value is thus a by-product of our stock selection approach and macro view at any particular time in the cycle.

The investment process is based upon teamwork with each member allocated clear objectives and responsibilities. The approach relies upon individual contributions in the context of a team with complementary skills. The process is split between research and portfolio construction. Research involves both the analyst and the portfolio manager, whilst portfolio construction is ultimately the sole responsibility of the portfolio manager. The ultimate aim of our investment process is to construct focused and conviction-based portfolios, which will meet client's performance objectives and reflect their appetite for risk.

The portfolio structure at any point in time is a result of a disciplined analytical evaluation combined with our experience and judgment. The risk of the total portfolio is monitored on a regular basis to ensure that the risks are appropriate in light of the expected returns and the portfolio's objective.

**Principal Risks:**

The investment strategy is meant to produce returns over the long-term. Clients should not expect to obtain short-term gains from such an investment approach.

There are risks of investing in equity securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and industry market conditions and general economic environments.

Investing in foreign securities has certain unique risks that make it generally riskier than investing in US securities. These risks include increased exposure to political, social and economic events in some Asian markets; limited availability of public information about a company; less developed trading markets and regulatory practices; and a lack of uniform financial reporting and regulatory practices similar to

those that apply to US issuers. Securities of foreign issuers may be less liquid, more volatile and harder to value than US securities.

Investments in foreign countries are also subject to currency risk. As the portfolio's investments are generally denominated in foreign currencies, the portfolio can experience gains or losses based solely on changes in the exchange rate between foreign currencies and the US dollar.

### **Asian Fixed Income Portfolios**

#### **Investment Strategy:**

For our Asian fixed income portfolios, we aim to add value in five principal areas, namely, country, duration, yield curve, currency and credit. The Asian fixed income team is made up of portfolio managers and credit research analysts focused on Asian bonds, currency and credit markets. The team works closely together to generate investment ideas across fixed income sectors.

The investment process is a fundamental process focused on research. We believe in both a top-down and bottom-up approach towards managing fixed income portfolios. The top-down approach employs three forms of analysis--fundamental, technical and valuation--to add value in the areas of country, duration, yield curve and currency. The bottom-up approach aims to enhance the portfolio's return via active credit selection and to identify under-valued and over-valued securities for timely investment decisions. Security selection within each of the underlying asset classes is carried out in a manner aiming to exploit those areas with the most potential for adding value. Decisions are made with a long-term investment horizon. Specific strategies for individual client portfolios are developed within the context of client guidelines and objectives.

Risk management, with an emphasis on portfolio diversification, forms an integral part of our investment process. We believe in diversifying our risk positions to manage risk, and do not make concentrated investments for outsized gains.

Where the portfolio's mandate permits, we may also use derivatives, such as interest rate and credit default swaps, to add value and also to match liability exposures.

#### **Principal Risks:**

The investment strategy is meant to produce returns over the long-term. Clients should not expect to obtain short-term gains from such an investment approach.

There are risks of investing in bonds and other fixed income securities. Bond prices may go up or down in response to interest rates with increases in interest rate leading to falling bond prices. Bonds and other fixed income securities are subject to credit risks, such as risk of default by issuers. For portfolios that invest in debt securities of foreign companies, these can have certain unique risks, including fluctuations in currency exchange rates, unstable social, political and economic structures, reduced availability of public information, and the lack of uniform financial reporting and regulatory practices similar to those that apply to US issuers. Securities of foreign issuers may be less liquid, more volatile and harder to value than US securities.

The portfolio may also be subject to liquidity and regulatory risks. Investments in emerging markets may be particularly prone to regulatory risks; for example, the introduction of new laws, the imposition of

exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holdings of the portfolio in a particular company, sector or country by non-residents (individually or collectively) has been reached.

The use of derivative instruments in the portfolio involves risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk. Derivative instruments are highly volatile instruments and their market values may be subject to wide fluctuations and expose the portfolio to potential gains and losses.

All our strategies may be subject to the risks inherent in concentrated or non-diversified positions. Investments in client accounts are typically focused on Asia, and may be concentrated in certain countries, industries, sectors or markets. Concentration and non-diversification pose increased risk of loss to the extent the account is more susceptible to adverse events affecting the industry or issuer in which the account is focused.

All our strategies may also be subject to counterparty risk. Counterparty risk is that risk that one party to a transaction does not satisfy its obligation to the other party. This could affect our clients if a party fails to settle a transaction, or a custodian goes insolvent or other events occur that jeopardize an entity with whom we engage in business.

Where suitable, we invest on behalf of our clients in the emerging markets of Asia. Foreign investment risk may be especially high to the extent that a portfolio invests in securities that are economically tied to countries with developing economies. Such investments may incur risk of nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments and these factors can negatively impact portfolio's investments in a foreign country.

#### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

We use the investment strategies and methods of analysis that seek to achieve each portfolio's investment objective. The investment decisions we make may not produce the expected returns, may cause the portfolio to lose value or may cause the portfolio to underperform other portfolios with similar investment objectives. There is no guarantee that a portfolio's objective will be achieved.

## **Item 9 . Disciplinary Information**

There are no legal or disciplinary events that would be material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

We conduct a limited proportion of our client brokerage transaction through an affiliated non-US broker-dealer, OCBC Securities Private Limited. Oversea-Chinese Banking Corporation Limited is also one of our counterparties for Foreign Exchange and Fixed Income transactions as well as placements of deposits. Directing portfolio transactions to our affiliates presents a conflict to the extent that it may benefit our affiliated firms and our employees' compensation could be correlated with the performance of our Parent Companies. This practice could also provide an incentive to use an affiliate to execute client transactions even though such affiliated broker-dealers may not provide the lowest cost executions for our clients. We

address this conflict through our brokerage policies as detailed in Item 12.

We may also conduct business with other affiliated entities which provide Lion Global Investors with a variety of services. For example, affiliates may distribute our funds or provide us banking services.

We have an ownership stake in a Singapore company, Lion Fairfield Capital Management Limited ("Lion Fairfield"). Lion Fairfield formerly managed private investment funds but currently has no business activities. As the company has been dormant for some time, a decision was made to put Lion Fairfield into members' (solvent) voluntary liquidation which commenced on 12 December 2012.

Since 30 October 2012, we have a 70% equity ownership stake in Pacific Mutual Fund Berhad, an established fund management company in Malaysia.

It should be noted that our Parent Companies are significant financial services institutions which have a large number of subsidiaries and/or investee firms. We do not devote resources to track all the companies which we may be affiliated with as a result of our Parent Companies, and we are not privy to all relationships our Parent Companies may have. Because of this, we may inadvertently conduct business with one or more firms to which we are affiliated.

We address any conflicts of interest which may arise as a result of these situations by doing business with all third-party companies completely at arm's length and, in the case of selection of broker-dealers or counterparties for securities transactions, we will only conduct business with broker-dealers or counterparties subject to our duty of best execution.

## **Item 11 . Code of Ethics, Participations or interest in client transactions and personal trading**

Our Code of Ethics (the "Code") applies to all of our employees and requires that our employees conduct themselves honestly and ethically and in full compliance with the securities laws at all times. Employees must put the interests of our clients before their own interests. A copy of the Code is available to clients and prospective clients upon request.

It should be noted that we do not apply the Code to our non-executive directors. To address this, we take measures to ensure that non-executive directors do not have access to sensitive information about client portfolios.

On occasion, an employee of Lion Global Investors may purchase or sell for his or her own account securities which we recommend for our clients. Employees may also invest in the pooled investment vehicles which we sponsor and/or manage or certain of their assets may be managed in one or more of our investment programs.

All such transactions must be conducted in accordance with our Code. The Code is designed to ensure that our employees do not take actions which are adverse or appear to be adverse to the interests of our clients. To manage the potential conflicts of interest with respect to personal securities trading by our employee, the Code contains the following provisions, among others:

- i. A requirement that most proposed personal securities transactions (including accounts in which Lion Global Investors personnel have a personal interest) be cleared by our Chief Compliance Officer or his delegate to address the conflict of interest.
- ii. Periodic reporting of all activity in personal securities accounts. This includes reporting of all securities positions.

- iii. Personnel may only maintain their brokerage accounts at brokers approved for these purposes by our Compliance team.

Our Code also limits the type and amount of gifts and entertainment that our personnel are permitted to give or accept.

## **Item 12 Brokerage Practices**

We select brokers and counterparties based on a set of qualitative and quantitative criteria. Execution of client transactions is in accordance with our best execution policy. Our objective is to obtain the most favorable execution and price reasonably available over time for our clients.

### **Selection of Brokers/Counterparties and Best Execution**

The factors that we consider in selecting the brokers with which we place our client orders for execution include, but are not limited to: the broker's reliability, reputation in the industry, financial standing, infrastructure, research and execution services and ability to accommodate special transaction needs. Accordingly, transactions may not always be executed at the best available price or commission.

We monitor the current level of the commissions of eligible broker-dealers and strive to minimize the expenses incurred for effecting client transactions to the extent consistent with the interests and policies of the accounts. Although we seek competitive commission rates, we will not necessarily pay the lowest commission and, consistent with our soft dollar/soft commission policies (described below), we may take into account when selecting brokers for client transactions the value of eligible research and brokerage products and services provided to us by brokers when agreeing on commission rates for client transactions. The execution of certain transactions or strategies for clients may require specialized services from the broker-dealer involved and thus may entail higher commissions than would be the case with other transactions requiring more routine services.

### **Soft Dollar/Soft Commission**

We may pay a broker a commission (or a counterparty a "spread") in excess of that which another broker may have charged for effecting that transaction, in recognition of the value of the research and/or brokerage services provided by that broker. This practice is referred to in the US as using "soft dollars" and referred to as "soft commissions" in Singapore and other jurisdictions. In selecting a broker providing research or brokerage services to execute client transactions, we will make a good faith determination that the amount of the commission charged is reasonable in relation to the value of the research and brokerage services received, viewed either in terms of the specific transaction or our overall responsibility to the accounts over which we exercise investment discretion. We may also set up soft dollar arrangement with brokers where soft credits are generated. The research we acquire through the use of client commissions includes proprietary research on companies, industries and markets created by broker-dealers, such written research reports, investment ideas and market color provided to our investment professionals, as well as access to the broker-dealer's own analysts and conferences. On occasion, we may acquire research prepared by third parties but paid by broker-dealers with soft dollars.

We may also place trades with given brokers or counterparties when a research analyst at that firm has furnished us with valuable perspective or advice. In order to have continued access to that type of perspective and advice, we may develop relationships (and place trades) with brokers who have research and analytical expertise relevant to the needs of Lion Global Investors and our clients.

Brokerage commissions that generate soft dollar credits for us are paid for by our clients' accounts, but

the research that is paid for using such soft dollar commissions is provided to us. As a result, we receive a benefit at no cost to Lion Global Investors, because we do not have to produce or obtain such research at our own expense. The use of soft dollar commissions in this way creates a potential conflict of interest for us in that we may have an incentive to select or recommend a broker-dealer to execute client securities transactions based on our interest in receiving research from or through the broker-dealer, rather than on our clients' interest in receiving the most favorable cost of execution. However, our use of research obtained with soft dollar commissions benefits our client accounts because we use this research to assist us in formulating the investment advice we provide to our client accounts.

Our use of commissions or soft dollars to pay for certain research products or services in respect of US client accounts will fall within the safe harbor created by Section 28(e) of the US Securities Exchange Act of 1934, as amended ("Section 28(e)"). Such products or services received from brokers as a result of clients' transactions may be used by us in servicing other accounts. We are also authorized to utilize non-US client commissions for other purposes and under other circumstances consistent with applicable law and industry practice.

Soft dollars generated by one client account may be used for the benefit of other clients, and research obtained through these means may be used by all Lion Global Investors investment personnel in servicing our clients. We do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

**Directed Brokerage**

We permit clients to direct brokerage to specified brokers. In connection with such directed brokerage relationships, we may be authorized to purchase securities on a discretionary basis but not select broker-dealers for transactions. Clients may also retain investment discretion with respect to transactions in the account. Due to our lack of investment discretion for these clients and accounts, there may be a loss of possible advantages that our discretionary clients may derive. These include our ability to act or execute transactions in a timely and efficient manner, and to aggregate orders of several clients into a single large transaction. Allowing clients to direct brokerage may cost clients more money because, for example, in a directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable commission rates than we would otherwise be able to obtain for the client if we were permitted to select brokers for the client.

**Aggregated Trades, Trade Allocations and Trade Errors**

We generally execute transactions on an aggregated basis—that is, we “bunch” orders from several accounts—when we believe this will allow us to obtain best execution and to obtain more favorable commission rates or other transaction costs. When aggregating orders, we employ procedures designed to ensure clients will be treated in a fair and equitable manner and to achieve best execution. No account will be favored over any other client; however, a variety of factors can determine whether a particular client may participate in a particular aggregated transaction. These factors include investment objectives and strategies, position weightings, cash availability, and risk tolerance, among others. Because of such differences, there may be differences in invested positions and securities held in client accounts managed according to similar strategies.

Aggregated orders filled partially will be allocated within strategy among the participating accounts pro-rata by original order size.

We make and implement investment decisions for our client accounts consistent with our fiduciary duty. To the extent trading errors occur, we seek to ensure that clients’ best interests are served. Our policy is to resolve all trade errors within a reasonable time period and in manner that does not disadvantage the client. We reimburse client accounts for their actual losses suffered as a result of a trade error caused by us. We do not compensate clients for lost investment opportunities (e.g., failure to take advantage of investment or market improvements).

**Item 13 . Review of Accounts****Account Reviews**

We have implemented continuous monitoring and control procedures for client accounts that are complemented by regular reviews by our Portfolio Managers. They review each client account on a regular basis (daily, weekly or monthly, as deemed appropriate) to determine, among other things, whether each account is appropriately positioned and in-line with the client-specific investment goals, objectives and policies. The manner and frequency of reviews may be established in the client’s investment management agreement.

**Written Reports**

We provide reports to our clients regarding their accounts in accordance with instructions they provide us. On a monthly or quarterly basis, we may provide our clients with a written report that includes information such as current portfolio holdings, transaction activity, and portfolio manager commentary on sources of return within the portfolio and recent market conditions. More information about client account reports is in Item 15.

**Item 14 . Client Referrals and other Compensation**

We may, from time to time, enter into written solicitation arrangements with non-affiliated third parties, pursuant to which we agree to compensate them for the solicitation of clients and client referrals. Solicitations and/or referrals of US clients are made in accordance with the requirements of Rule 206(4)-3 under the Advisers Act.

A conflict of interest may arise from compensating third parties to solicit and/or refer clients. Recommendations being made to clients may be influenced by the compensation. Clients and prospective clients should refer to the disclosure document that solicitors are required to provide under Rule 206(4)-3 prior to making any investment decision. These disclosures include the nature of the solicitation arrangement and the details of the compensation arrangement accorded to the solicitor.

In Singapore and other non-US jurisdictions, our affiliates may refer clients to us according to an arrangement in place between us and the respective affiliate.

## **Item 15 Custody**

We do not have actual custody of the funds or securities in relation to US client accounts. Rather, all funds and securities of our US clients will be held at a qualified custodian, which typically is appointed by the client.

US clients will receive statements of account holdings from their custodians at least quarterly. US clients should carefully review those statements. We may provide account balance and activity details to the client upon request. However, our account statement may vary from the statement that the US client custodian provides, due to different accounting procedure or reporting dates. We urge US clients to compare the information received from their custodian with that received from us.

## **Item 16 Investment Discretion**

The accounts over which we exercise investment discretion are subject to investment policies and guidelines that are established between our clients and us (and which may be amended in writing from time to time). Within a discretionary client's specified investment objectives and guidelines, we are generally authorized to determine which securities are bought or sold, the total amount of securities to be bought or sold, the broker-dealer (or counterparty) through which the securities are to be bought or sold, and the commission rates to be paid, all without further client consultation or consent.

## **Item 17 Voting Client Securities**

Our proxy voting policies and procedures establish a framework to vote proxies consistent with our fiduciary duty to our clients.

When vested with proxy voting authority, it is our policy to vote all proxies on securities held in client's account, unless we determine in accordance with our policies to refrain from voting.

When we determine that voting a proxy presents a conflict of interest, we will resolve such conflicts in the best interest of the client.

We maintain proxy voting records and related records designed to meet our obligations under applicable law. Clients may obtain a complete copy of our proxy voting policies and other information regarding how their proxies were voted upon request by writing to us at the address set forth in the first page of this brochure.



## **Item 18 Financial Information**

We do not have any financial condition that is reasonably likely to impair our ability to meet our contractual commitment and fiduciary responsibilities to our clients.

We do not require or solicit prepayment of client fees and are not required to provide a balance sheet.