



## **Form ADV Part 2A: Firm Brochure**

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This brochure provides information about the qualifications and business practices of Altrinsic Global Advisors, LLC ("Altrinsic"). If you have any questions about the contents of this brochure, please contact us at 203.661.0030. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Altrinsic is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.

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

## **Item 2: Material Changes**

This Brochure updates Altrinsic Global Advisors, LLC's ("Altrinsic") last amendment, dated March 28, 2014. The following material changes have been made to this document:

Item 5 was updated to reflect current fee schedules and compensation for the Altrinsic Emerging Markets Fund, L.P.

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#### **Item 4: Advisory Business**

Altrinsic was established in 2000 as a Delaware limited liability company and focuses solely on international and global equity investment management.

Altrinsic is employee-controlled and majority-owned. John D. Hock is the Chief Executive Officer (“CEO”) and founder of the firm. National Australia Bank Limited (“NAB”) owns approximately 31.5% of the equity interests attributable to the outstanding Altrinsic equity securities. Employees own the remaining equity interest and retain 95.1% of the voting interests in Altrinsic.

Altrinsic invests its clients’ assets in one of the four following mandates: International Equity; Global Equity; Global Concentrated Equity; and Emerging Markets Equity. It manages both segregated accounts and commingled products.

International Equity, Global Equity and Emerging Markets Equity mandates are diversified portfolios. Global Concentrated Equity portfolios hold fewer positions than Global Equity portfolios.

Altrinsic offers investment advisory services, where appropriate, to corporate pension funds, public pension funds, sovereign wealth funds, foundations, endowments, investment companies, sub-advisory clients, high net worth investors, and other business entities.

Altrinsic’s client portfolios are fully discretionary and managed similarly. Portfolios are managed according to the objectives and policies described in their respective investment advisory agreements and/or offering documents. However, Altrinsic can incorporate client-imposed restrictions into mandates through their individual investment management agreements.

Altrinsic does not participate in wrap fee programs.

As of December 31, 2014 discretionary assets under management were \$11,656,188,731.

#### **Item 5: Fees and Compensation**

Altrinsic International Equity and Global Equity products including:  
Altrinsic International Equity Portfolio, LP and Altrinsic Global Equity Portfolio, LP, and Altrinsic  
Emerging Markets Fund, L.P.

The annual fee for international equity and global equity portfolio management services:

- 0.85% (eighty five basis points) on the first \$25 million in assets
- 0.60% (sixty basis points) on the next \$50 million in assets

- 0.50% (fifty basis points) on balance over \$75 million in assets

The annual fee for emerging markets portfolio management services:

- 0.95% (ninety five basis points) on the first \$25 million in assets
- 0.85% (eighty five basis points) on the next \$50 million in assets
- 0.75% (seventy five basis points) on balance over \$75 million in assets

#### Altrinsic Group Trust – Altrinsic International Equity Fund

Altrinsic, as the investment manager, will be paid by the investment fund, a management fee that is set out in the Adoption Agreement and is calculated and accrued daily and paid monthly in arrears.

#### Altrinsic Collective Investment Trust - Altrinsic Global Equity Collective Fund Altrinsic International Equity Collective Fund

Altrinsic, as the investment adviser to the Altrinsic Global Equity Collective Fund and the Altrinsic International Equity Collective Fund, will be paid by each fund a fee that is set out in the Participation Agreement and is calculated and accrued daily and paid monthly in arrears.

#### Altrinsic Funds plc

An investment company with variable capital incorporated with limited liability in Ireland and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

Altrinsic will be paid a management fee, not exceeding 0.85 per cent per annum of the net asset value of the Fund.

#### Altrinsic Global Concentrated Equity including: Altrinsic Global Concentrated Offshore Fund, Ltd.

An exempted company incorporated in the Cayman Islands pursuant to the Companies Law CAP22

The annual fee for global concentrated equity portfolio management services has three options:

1. No Fixed Fee, Annual Incentive Fee: 20% on absolute performance;
2. Fixed Fee 0.65% per annum, Annual Incentive Fee: 10% of the net return in excess of a return equal to the MSCI World Index (Net); or

### 3. Fixed Fee 1.00% per annum, No Incentive Fee.

Different fee schedules may apply for different clients and investors for reasons, including but not limited to asset size, regulatory jurisdiction, nature of advisory services, sub-advisory relationships, service levels, seed/strategic investor circumstances, and fixed or performance fee arrangements.

In certain circumstances, Altrinsic fees and/or account minimums may be negotiable.

Altrinsic, in its sole discretion, may, in effect, waive or reduce the fees to be paid to it by shareholders that are members, principals, employees or affiliates of Altrinsic, relatives of such persons and certain large, strategic or initial investors.

For clients with separately managed accounts, Altrinsic bills clients in accordance with the respective investment advisory agreements for the fees incurred. For separately managed accounts, clients engage and pay for the services of the custodian directly.

For Altrinsic's proprietary vehicles, fees are deducted directly from each vehicle after administrator/Responsible Entity approval is granted. For Altrinsic's proprietary vehicles, expenses relating to the custodian, administrator, audit, tax, legal services, and directors are paid by each vehicle upon approval by Altrinsic and the administrator/ Responsible Entity.

All portfolios incur brokerage and other transaction costs. Please refer to Item 6 and 12 regarding additional information about performance-based fees and brokerage respectively.

Altrinsic International Equity Portfolio, LP, Altrinsic Global Equity Portfolio, LP, and Altrinsic Emerging Markets Fund, LP – Each Limited Partnership pays Altrinsic a quarterly fixed fee in arrears.

Altrinsic Group Trust – Altrinsic International Equity Fund – Fees are calculated and accrued daily and paid to Altrinsic, as the investment manager monthly in arrears.

Altrinsic Collective Investment Trust – Altrinsic Global Equity Collective Fund and Altrinsic International Equity Collective Fund - Fees are calculated and accrued daily and paid to Altrinsic, as the investment manager monthly in arrears.

Altrinsic Institutional Global Equity Trust and Altrinsic Global Equities Trust (collectively, the "Trusts") – The management fees are accrued daily for the Trusts and paid to Altrinsic quarterly in arrears for the Altrinsic Institutional Global Equity Trust and monthly in arrears for the Altrinsic Global Equities Trust.

Altrinsic Funds plc – The management fee is accrued daily and paid to Altrinsic monthly in arrears.

Altrinsic Global Concentrated Offshore Fund, Ltd. – The fixed fees are paid quarterly to Altrinsic in arrears. Incentive Fees are paid to Altrinsic following the end of each fiscal year.

Altrinsic does not have clients that must pay fees in advance.

Altrinsic does not have supervised persons that accept compensation for the sale of securities or other investment products.

#### **Item 6: Performance-Based Fees and Side-by-Side Management**

Altrinsic has accounts which charge fees as a percentage of assets under management, have a fixed fee, or have performance-based fees.

As an investment adviser with multiple clients, Altrinsic faces potential conflicts of interest in connection with managing multiple portfolios simultaneously. Altrinsic has accounts which charge fees as a percentage of assets under management, have a fixed fee, or have performance-based fees. A potential conflict of interest could arise when executing trades for accounts which pay fees on different schedules. Altrinsic could have an incentive to favor accounts for which it receives a performance based fee. Altrinsic has implemented policies and procedures to avoid this conflict of interest in the management of its accounts. It is Altrinsic's policy that no client, for whom Altrinsic has investment decision responsibility, shall receive preferential treatment over any other client. When allocating securities among clients, it is Altrinsic's policy that all clients should be treated fairly and that, to the extent possible, all clients should receive equitable treatment over time and no client(s) will receive more favorable treatment or be disadvantaged over other client(s).

Whenever possible, Altrinsic will aggregate orders for accounts purchasing/selling the same security at the same time. Generally, each eligible client that participates in an aggregated order will participate at the average price for all Altrinsic client transactions in that security on a given business day and transaction costs will be generally shared pro-rata based on each client's participation in the transaction. This includes orders placed for proprietary vehicles. Because of the difference in client investment objectives, timing and strategies, risk tolerances, tax statutes and other criteria, there may be differences among clients in invested positions, securities held and the timing of transactions

Transactions that are of de minimis size will be allocated in any manner deemed appropriate by Compliance under the circumstances.

#### **Item 7: Types of Clients**

Altrinsic offers investment advisory services to corporate pension funds, public pension funds, sovereign wealth funds, foundations, endowments, investment companies, sub-advisory clients, high net worth investors, and other business entities.

Generally, a \$25 million minimum is required for separately managed accounts or a \$5 million minimum for investment in Altrinsic's proprietary vehicles. In certain circumstances, account minimums may be negotiable.

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

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

## Altrinsic's International Equity; Global Equity; and Global Concentrated Equity Mandates.

Altrinsic employs a disciplined bottom-up approach to investment management based on an iterative four step investment process which includes (I) investment idea generation, (II) fundamental company and industry analysis, (III) portfolio management, and (IV) risk management and control:

I. Idea Generation: Altrinsic's investment ideas are derived from two primary sources. The first source is a quantitative screening process to identify undervalued securities with either improving or stable return profiles. The second source of idea generation is supported heavily by Altrinsic's investment process which focuses on fundamental due diligence throughout an industry food chain based on our portfolio manager/analysts' years of field experience and industry contacts. Specifically, this second source of idea generation includes companies that are identified through meetings and the research and analysis done on companies within the industry food chains.

II. Fundamental Company and Industry Analysis: Once a company is identified as a potentially attractive candidate, fundamental company and industry analysis is conducted. This consists of understanding economic drivers of the company through 10+ years historical accounting information analysis, understanding business drivers of returns through different business cycles, accounting validation of statements, industry structural analysis, and an assessment of management capabilities. Risk factors, both internal and exogenous are determined for the company. An intrinsic valuation of the company is determined based on: (a) discounted cash flow analysis; (b) multiples analysis (share price relative to normalized earnings power); and (c) private market and asset valuation analysis. Ideas are then ranked by the sector analyst within their industry and presented to the investment team for possible inclusion in the portfolio.

III. Portfolio Management: Portfolio management consists of building a portfolio of the most attractive companies on the basis of valuation and risk adjusted return profile. The portfolio management team makes the final decision for inclusion in the portfolio subject to portfolio risk controls.

IV. Risk Management: Risk management is applied throughout the investment process by (a) focusing on liquid, quality businesses with managements that recognize minority shareholder rights, (b) fundamental security level return, accounting, and risk analysis with an emphasis on cash flow and balance sheet as well as earnings quality analysis, and (c) portfolio risk analytics which include third party risk tools as well as Altrinsic's geographic and industry cross-sectional risk matrix. In addition, absolute risk levels are further addressed by systematic guidelines embedded within our investment process.

Altrinsic's global perspective allows it to act upon dislocations or inefficiencies arising from considerations that may not be apparent to more regionally focused, short-term, or industry-focused investors.



Although the key elements of Altrinsic's investment process are derived from time-tested principles of fundamental, intrinsic-value investing, the nature of the opportunities in which it seeks to invest emerge from two major and ongoing dislocations or inefficiencies:

1. First, Altrinsic capitalizes on cross-border dislocations in areas where the narrowness of some investors' expertise and viewpoints leads to opportunities. As individual analysts and as an overall team, Altrinsic possesses a combination of deep industry knowledge and global cross-border perspective, as its analysts have conducted due diligence in their industries across the globe.
2. The second source of opportunities is derived from a prevailing short-term investor orientation. When this is combined with reactive and emotional investor behavior, it can cause share prices to detach from their true long-term fundamental drivers of performance.

Altrinsic further seeks to capitalize on the "narrowness" of others' determination of value. Its definition generally falls into two broad categories, Type 1 and Type 2. Altrinsic primarily sources opportunities from two types of companies:

- "Type 1" stocks represent higher quality companies with attractive and sustainable financial productivity.
- "Type 2" stocks represent undervalued companies in which current profitability levels are depressed and poised to improve via company-specific, industry, macro, or other catalysts.

The proportion of the portfolio's Type 1 stocks versus Type 2 stocks is not targeted, but rather it is a function of where opportunities present themselves in the global landscape.

#### Altrinsic's Emerging Markets Equity Mandate.

Altrinsic's investment philosophy is based on the belief that a company's long-term valuation is a function of its future financial productivity adjusted for associated risks. In implementing this philosophy, Altrinsic seeks to capitalize on investment opportunities in the emerging markets by leveraging its individual company analysis, global industry knowledge, risk assessment, and distinctive cross-border frame of reference. Altrinsic also believes that a focused, experienced, and nimble team has a sustainable competitive advantage, given its ability to collaboratively make decisions and efficiently and prudently express them in client portfolios.

Altrinsic seeks out investment opportunities in the world's equity markets in various ways. For example:

- Altrinsic's determination of value is not confined to a narrow definition of "value" (i.e., low P/E) stocks. There is prudent flexibility in its process that allows it to focus on two types of investments: 1) blue-chip businesses with sustainable return on equities ("ROE") and 2) companies undergoing cyclical or structural change where ROE is poised to improve. The proportion of these stocks is not targeted, but rather it is a function of where opportunities present themselves in the emerging

markets landscape. While other investment firms may lean towards one or the other, this flexibility allows Altrinsic to navigate changing market environments. Altrinsic's analysts possess global industry knowledge based on years of due diligence within their industry food chains. This knowledge and broad perspective allow Altrinsic to act on investment opportunities arising from considerations that may not be apparent to more country-focused analysts or regional generalists.

- Altrinsic has a longer-term view and seek to capture share price appreciation when share prices detach from fundamentals.

Altrinsic's investment process is primarily driven by bottom up analysis but with attention to the top down view. Altrinsic focuses its research for undervalued equities on a company's business model, its fundamentals, its strategy, and the ability of its management team. As part of its research process, Altrinsic incorporates a top down assessment of the macroeconomic, regulatory, and political environment in which each of its companies operates.

At a portfolio level, Altrinsic applies specific exposure guidelines to ensure sufficient diversification at the country and sector levels. Its top down analysis is used to mitigate non-stock specific risks which could be more pronounced in the emerging markets.

The emerging markets investment approach is rooted in the principles of intrinsic value investing and is consistent with the principles of our firm. Altrinsic's aim is to implement a repeatable process that targets outperforming the MSCI EM index over the long run. Altrinsic looks to purchase a diverse portfolio of emerging market stocks that it believes are temporarily trading below their intrinsic values but could appreciate with improving fundamentals and outlook.

Through a combination of on the ground due diligence and screening, Altrinsic's analysts identify specific stocks that are potential investment candidates. It further performs company and industry analysis to determine whether these companies are trading at sufficient discounts to their intrinsic values.

Altrinsic's portfolios primarily invest in publicly traded securities around the world. The material risks that relate to Altrinsic's investment strategies may include market risk, non-diversification risk, non-U.S. and emerging market and frontier securities risk, small-cap stocks risk, counterparty risk, high-growth industry related risk and Bank Holding Company Act of 1956, as amended concerns.

The following is a summary of these material investment risks, but does not intend to describe all possible risks:

### Market Risk

Profitability depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Altrinsic will be able to predict accurately these price movements. All investments in equity securities are subject to the risk of loss.

### Non-Diversification Risk

Altrinsic's portfolios are invested primarily in equities and equity-related securities, with an emphasis on large- and mid-cap companies. Further, Altrinsic's portfolios may not be widely diversified among a wide range of issuers, industries, geographic areas, capitalizations or types of securities. Moreover, Altrinsic does not generally engage in short sales or other hedging activities (other than currency hedging). Accordingly, the investment portfolio of a proprietary vehicle or client account may be subject to more rapid change in value than would be the case if the vehicle or account were required to maintain a wide diversification among issuers, industries, geographic areas, capitalizations or types of securities.

### Non-U.S. Securities

Investing in securities of Non-U.S. governments and companies which are generally denominated in non-U.S. currencies, and utilization of currency forward contracts and options on currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-US taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

### Emerging Markets and Frontier Markets Securities

Investing in securities of companies in emerging and frontier markets involve a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging and frontier market securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favorable tax provisions, a greater likelihood of severe inflation, unstable currency, war and expropriation of personal property. In addition, the investment opportunities in certain emerging and frontier markets may be restricted by legal limits on foreign investment in local securities. Emerging and frontier markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels are lower than in developed countries. When seeking to sell emerging and frontier market securities, little or no market may exist for the securities. In addition, issuers based in emerging and frontier markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by government or securities exchanges in emerging and frontier markets may not accurately reflect the actual circumstances being reported.

### Small-Cap Stocks

At any given time, Altrinsic's portfolios may have investments in smaller-to-medium sized companies of a less seasoned nature whose securities may be traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than securities of larger, better-known companies.

## Counterparty Risk

While generally Altrinsic will only invest in exchange-traded securities, it may from time to time invest in options and forward currency contracts, in which case the portfolio takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default.

## High Growth Industry Related Risks

Altrinsic's portfolios may have investments in the securities of companies in high growth industries (e.g., technology, communications and health care). To the extent that the portfolios invest in such securities, it is noted that these securities may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which they are many of their competitors operate.

## BHCA Considerations

Altrinsic, NAB, and their respective affiliates are subject to certain U.S. and foreign banking laws, including the Bank Holding Company Act of 1956, as amended (the "BHCA"), and to regulation by the Federal Reserve. NAB has elected to become a financial holding company ("FHC") for purposes of the BHCA.

As an FHC, NAB and all of its affiliates, including Altrinsic, are subject to certain restrictions on their aggregate holdings of voting stock of U.S. banks and bank holding companies and U.S. non-bank companies absent an approval of the Federal Reserve or the availability of an exemption under the BHCA. Altrinsic and NAB have entered into arrangements to attempt to afford Altrinsic the maximum leeway to invest in U.S. bank and bank holding company stocks, i.e., up to five percent of any class of voting stock of such entities. Notwithstanding these arrangements, in the absence of the availability of a different BHCA exemption, the five percent limitation applies on an aggregate basis to all such shares owned or controlled by Altrinsic, NAB and all of their other affiliates. Therefore, if NAB or other affiliates owned or controlled U.S. bank or bank holding company stocks, in those circumstances Altrinsic might be required to limit the amount of such stocks held in its portfolios or divest holdings of such stock from its portfolios in order to conform to the aggregate limit.

In addition, NAB owns a U.S. bank subsidiary and NAB, Altrinsic and other affiliates are subject to restrictions on any transaction they may have with such U.S. bank.

*Dodd-Frank Act.* On July 21, 2010, U.S. President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act includes certain provisions known as the "Volcker Rule" that restrict the ability of a "banking entity," such as NAB, an affiliate of Altrinsic; Altrinsic; and affiliates and subsidiaries thereof, from acquiring or

retaining an ownership interest in, or sponsoring, certain private investment funds (“Covered Funds”), subject to certain permitted activity exemptions.

On December 10, 2013, U.S. financial regulators jointly issued final regulations to implement the statutory mandate of the Volcker Rule.

Certain of Altrinsic’s proprietary vehicles may be considered a Covered Fund under the Volcker Rule. If a proprietary vehicle is a Covered Fund, Altrinsic and/or certain of its affiliates may be considered the sponsor of the proprietary vehicle.

By statute and Federal Reserve action, a banking entity is required to bring its activities and investments into compliance with the Volcker Rule and the final regulations no later than July 21, 2017.

By that date Altrinsic and/or certain of its affiliates may be required to conform their activities and relationship with respect to the proprietary vehicle to one of the permitted activity exemptions provided by the Volcker Rule. The applicable exemptions will impose certain conditions on NAB, Altrinsic, and their affiliates and subsidiaries with respect to the proprietary vehicle.

In order to comply with the Volcker Rule, NAB, Altrinsic, and their affiliates, may take certain actions with respect to the proprietary vehicle which may include:

- (a) Modifying or eliminating certain transactions or relationships between NAB, Altrinsic, and/or their affiliates and the proprietary vehicle;
- (b) Amending the proprietary vehicle’s offering materials to include certain required disclosures to prospective and actual investors;
- (c) Changing the name of the proprietary vehicle; and/or
- (d) Limiting the investment opportunities of the proprietary vehicle in order to comply with certain restrictions on material conflicts of interest.

In addition to the above, other structural changes to the proprietary vehicle could be required. During the conformance period, NAB, Altrinsic, and affiliates thereof, will be required to engage in good faith planning efforts to establish compliance programs reasonably designed to ensure and monitor compliance with the Volcker Rule, which are expected to include internal written policies and procedures, internal controls, independent testing, and recordkeeping requirements.

Further, it is possible that future changes or clarifications in statutes, regulations or interpretations concerning the permissible activities of bank holding companies or financial holding companies under U.S. law, as well as further judicial or administrative decisions and interpretations of present or future statutes or regulations, could restrict Altrinsic from continuing to perform the services described herein for the proprietary vehicle in the manner currently contemplated. In such event, Altrinsic may agree to alter or restrict the exercise of its powers to the extent necessary to permit it to continue to serve the proprietary vehicle.

In the future, additional restrictions may be imposed on Altrinsic’s activities under applicable banking laws. There can be no assurance that the bank regulatory requirements applicable to Altrinsic, or any change in such requirements, would not have a material adverse effect on

Altrinsic's investment program or performance. The regulations summarized above may be changed by the Federal Reserve Board in the future, in which event the requirements applicable to Altrinsic and its investments may also change.

#### **Item 9: Disciplinary Information**

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

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

Neither Altrinsic nor any of its management persons are registered, or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Altrinsic or any of its management persons are registered, or have an application pending to register as a futures commission merchant, commodity pool operator ("CPO"), a commodity trading advisor ("CTA"), or an associated person of the foregoing entities. Altrinsic has filed with the National Futures Association affirmations of exemption from CPO registration under CFTC Regulation 4.13(a)(3) and CTA registration under CFTC Regulation 4.14(a)(8).

On July 8, 2011, National Australia Bank Limited ("NAB") purchased 4.9% of the outstanding Altrinsic voting units and approximately 33.2% of the economic interest attributable to the outstanding Altrinsic equity securities, which has since decreased to 31.9%. Altrinsic has an agreement with CI Global Holdings Inc. ("CI") pursuant to which CI receives 24.2% (subject to dilution in certain circumstances) of the net profits of Altrinsic and the same percentage of the proceeds of a liquidation of Altrinsic. As a result of this agreement with CI, the economic interest in Altrinsic attributable to the equity ownership of Altrinsic employees and NAB is approximately 51.6% and 24.2%, respectively. Altrinsic has entered into a non-exclusive distribution arrangement with nabInvest Capital Partners Pty Limited ("nabInvest"), a subsidiary of NAB, pursuant to which nabInvest will provide Altrinsic with marketing, client servicing, and distribution services for both retail and institutional investors in Australia and New Zealand. NabInvest (or another NAB affiliate) will provide product management, custody and other services with respect to investment products available to retail investors in Australia and New Zealand, and will receive a negotiated fee with respect to such products. Altrinsic will pay nabInvest an annual fee for distribution services provided to institutional investors, and will reimburse nabInvest for certain costs and expenses.

Altrinsic does not invest its clients' or investors' portfolios in the securities of NAB. No material conflicts of interest are presented by this relationship.

Altrinsic acts as General Partner of the Altrinsic International Equity Portfolio, LP, Altrinsic Global Equity Portfolio, LP, and Altrinsic Emerging Markets Fund, LP, each a Delaware Limited Partnership. In addition, Altrinsic is the investment manager/adviser to the: Altrinsic Group Trust, a trust established in order to provide for the collective investment of assets of certain eligible trusts or accounts; Altrinsic Collective Investment Trust, a trust established in order to provide for the collective investment of assets of certain eligible accounts. Altrinsic Global Concentrated Offshore Fund, Ltd., an exempted company incorporated in the Cayman Islands; Altrinsic

Institutional Global Equity Trust and Altrinsic Global Equities Trust, unit trusts registered with the Australian Securities and Investments Commission; and Altrinsic Funds plc, an investment company incorporated with limited liability in Ireland.

Altrinsic faces a potential conflict of interest managing portfolios in which it, or a related person, has an ownership interest simultaneously with its other clients' accounts. Altrinsic could have an incentive to favor those portfolios in which it, or a related person, has an ownership interest. Altrinsic has established policies and procedures to avoid this conflict of interest in the management of its accounts. Trading activity in proprietary vehicles is subject to Altrinsic's aggregation and allocation policies.

Altrinsic does not recommend or select other investment advisers for its clients or receive compensation directly or indirectly from those advisers that creates a material conflict of interest.

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

In recognition of Altrinsic's fiduciary duty to its clients and Altrinsic's desire to maintain high ethical standards, Altrinsic has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act") and Rule 17j-1 of the Investment Companies Act of 1940, as amended, (the "'40 Act"). It contains provisions designed to (1) prevent improper personal trading by Access Persons of Altrinsic, (2) prohibit the misuse of inside information, (3) identify conflicts of interest, and (4) provide a means to resolve any actual or potential conflict of interest.

Altrinsic will provide a copy of the Code upon a client's or prospective client's written request or by contacting Compliance at 203.661.0030.

Altrinsic acts as the General Partner of the Altrinsic International Equity Portfolio, LP, the Altrinsic Global Equity Portfolio, LP, and the Altrinsic Emerging Markets Fund, LP and solicits client investments in these proprietary vehicles. An adviser could face a potential conflict of interest in soliciting client investments for proprietary vehicles in which it has a material financial interest if it were receiving a higher fee for serving as the General Partner. Altrinsic could have an incentive to recommend to a client investment in its proprietary vehicles as opposed to another vehicle or separate account, which may or may not be more appropriate for the client's needs.

Altrinsic does not charge an additional fee for its service as General Partner of its proprietary vehicles. Additionally, Altrinsic avoids the potential conflict of interest in its investment business by presenting both the commingled and separate account options for a mandate to its clients and requiring the client to select the product in which it will invest.

Altrinsic and its personnel may affect limited transactions for their own accounts in the same or different securities than those purchased and sold for the accounts of Altrinsic's clients. This presents a potential conflict of interest between Altrinsic and its clients. Altrinsic employees could take advantage of investment opportunities that are appropriate for the firm's clients prior to the firm taking the opportunity for its clients. Altrinsic has implemented policies and procedures under its Code to avoid these conflicts in the management of its clients' accounts. Altrinsic

maintains and enforces a very strict policy on personal trading. All employees are prohibited from engaging in personal securities transactions in Reportable Securities except for sales transactions of securities that were held by the employee prior to their date of hire or purchases and sales of ETFs, closed-end funds, and master limited partnerships (“MLPs”). All personal securities transactions require that written pre-clearance approval was obtained from Compliance. Any approval given will remain in effect for 24 hours from the time it is granted unless otherwise expressly stated.

Compliance only approves transactions if it is concluded that the transaction would comply with the provisions of the Code and is not likely to conflict with or have any adverse economic impact on clients. Personal trades are not aggregated with client trades. Compliance has the authority to exempt any personal securities transaction if it is determined that such exemption would not be against any interests of a client and is consistent with Altrinsic’s requirements under Rule 204A-1 of the Advisers Act or Rule 17j-1 of the ‘40 Act.

Upon employment, and annually thereafter, employees attend a compliance meeting, sign a Code acknowledgement and execute a questionnaire which inquires, among other things, the names and outside brokerage accounts of household members, outside business activities, and directorships. All employees who have personal accounts (including household members) are required to instruct their broker-dealer and/or bank to send duplicate statements and confirmations for the account(s) directly to Compliance no less frequently than quarterly.

## **Item 12: Brokerage Practices**

### **Broker Selection**

Altrinsic’s clients generally authorize Altrinsic to select brokers to effect transactions on their behalf. Altrinsic has established general criteria to determine which brokers are qualified to provide brokerage services to its clients, and considers, among others, the following relevant factors:

- Expertise in global/international/foreign/specialty markets;
- The actual executed price of the security and the broker’s commission rates;
- The size and type of the transaction;
- The ability to handle a block order for securities;
- Research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice, and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance Altrinsic’s general portfolio management capabilities;
- The operational facilities of the brokers and/or dealers involved (including back office efficiency);
- Financial stability of the broker; and
- Confidentiality.

Altrinsic seeks to obtain “best execution” for securities transactions being effected for its clients’ accounts. To fulfill this obligation, Altrinsic generally executes securities transactions so that the



client's total cost or proceeds in each transaction is the most favorable under the specific circumstances. The SEC has stated that in deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. In seeking best execution, Altrinsic considers the full range of the broker's services, including the value of research provided and execution capability, commission rate, financial responsibility and responsiveness among other things.

Altrinsic employs an internal trading cost analysis based on two metrics. First, Altrinsic reviews the commission cost paid to the broker for executing trades. These costs vary by broker, market, stock price and the size of the trade but are generally competitive across all the firm's approved brokers. The second metric is commonly referred to as "market impact" or the price received versus the market's average price for the day. Typically, the metric used for this analysis is Volume Weighted Average Price ("VWAP"). VWAP allows larger trades to affect an average price more than do their smaller counterparts.

At least annually, the portfolio managers, analysts and traders of Altrinsic meet to systematically evaluate the execution performance of its brokers. The broker review consists of the consideration of various factors, including (as applicable):

- Responsiveness;
- Average commission rate charged by each broker;
- The services provided by the broker other than execution (i.e., research or other services used in the management of client accounts);
- Whether the execution and other services provided by the broker were satisfactory (taking into account such factors as the speed of execution, the certainty of execution, and the ability to handle large orders or orders requiring special handling);
- Unusual trends (such as higher than usual commission rates or a large volume of business directed to a broker);
- Potential conflicts of interest (such as directing brokerage to a broker who makes client referrals to Altrinsic); and
- Any other factors that the reviewers think necessary for Altrinsic to make a reasonable decision about its best execution determinations.

Employees who are part of the voting process must indicate for all brokers that are being reviewed whether they have any potential conflicts of interest relating to their relationships with the brokers. These can include the employment of family members or friends, and their personal prior employment at such firms.

### **Research and Other Soft Dollar Benefits**

Altrinsic uses "soft dollars" for research and brokerage services that provide lawful and appropriate assistance to Altrinsic in carrying out its investment decision-making responsibilities, as permitted under the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934 (the "Exchange Act").

Research Services are protected within the safe harbor if the person (a) furnishes advice, either directly or indirectly through publications, regarding the value or advisability of investing in or selling securities or (b) furnishes analyses or reports concerning matters such as companies, industries, economic trends and political factors. A product or service is research-related for purposes of the safe harbor if it reflects substantive content – that is, the expression of reasoning or knowledge and relates to the previous subject matter. The content may be original research or a synthesis, analysis or compilation of the research of others. The form of the research may be oral, electronic, paper, etc. Examples of research services that can be acquired by the investment adviser with the commissions paid by the adviser's clients include, but may not be limited to, financial newsletters, trade journals, software at certain seminars and conferences, discussions with research analysts, meetings with corporate executives, consultants' advice on portfolio strategy, data services (including services providing market data, company financial data and economic data), advice from brokers on order execution and certain proxy services.

Brokerage services must be sufficiently related to order execution of securities transactions and satisfy a "temporal" standard, i.e., the products and services must be related to the trade from the point at which Altrinsic communicates with the broker-dealer for the purpose of transmitting an order for execution and ends when funds or securities are delivered or credited to the account or account holder's agent. Examples of brokerage services that can be acquired by Altrinsic with the commissions paid by clients include, but may not be limited to, connectivity services between an Altrinsic and a broker-dealer and other relevant parties such as custodians, trading software operated by a broker-dealer to route orders, software that provides trade analytics and trading strategies, software used to transmit orders, clearance and settlement in connection with a trade, electronic communication of allocation instructions, routing settlement instructions post-trade matching of trade information, and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirmations or trade affirmations.

Potential conflicts of interest could arise when Altrinsic uses client brokerage commissions to obtain research or brokerage services. When Altrinsic uses client brokerage commissions to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, product or services. Altrinsic also has an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. Altrinsic may also cause clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits. Altrinsic has implemented policies and procedures to avoid these conflicts of interest in its selection of broker-dealers. The reasonableness of commissions paid to a broker-dealer that provides soft dollar benefits to Altrinsic in light of the value of the benefits received is included in the annual review of brokers discussed in **Broker Selection** above.

As a fiduciary, Altrinsic has an obligation to seek "best execution" of clients' transactions under the circumstances of the particular transaction. Notwithstanding the safe harbor provided under Section 28(e), no allocation for soft dollar payments shall be made unless best execution of the transaction is reasonably expected to be obtained.

Research and brokerage services obtained by the use of commissions arising from the clients' portfolio transactions may be used by Altrinsic for the benefit of all clients.

For the year ended December 31, 2014, Altrinsic acquired the following products and/or services with client brokerage commissions:

- Proprietary research, as described above;
- Third-Party Research Services, as described above; and
- Third-Party Brokerage Services, as described above.

### **Brokerage for Client Referrals**

Altrinsic does not receive client referrals from broker-dealers.

### **Directed Brokerage**

Altrinsic does not recommend, request or require that clients direct it to execute transactions through a specified broker-dealer.

Although Altrinsic does not currently have any clients that recommend, request or require that we execute transactions through a specified broker-dealer, it may permit clients to do so.

In certain instances, clients may seek to limit or restrict Altrinsic's discretionary authority in making the determination of the brokers with which orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. Clients may seek to limit Altrinsic's authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value.

This direction may adversely affect Altrinsic's ability to obtain best execution and may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because Altrinsic will not be able to aggregate orders to reduce transaction costs, or the client may receive a less favorable price than Altrinsic obtains for its clients that do not direct brokerage.

Accordingly, when a client directs brokerage to a specific broker, Altrinsic requires that (i) the client provides such direction in writing to Altrinsic and (ii) Altrinsic provide the client with appropriate written disclosure, which will be acknowledged by the client.

### **Trade Aggregation**

Whenever possible, Altrinsic will aggregate client orders for the purchase or sale of securities. Altrinsic will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for proprietary vehicles:

- Each eligible client that participates in an aggregated order will participate at the average share price for all Altrinsic's client transactions in that security on a given business day and transaction costs will be generally shared pro rata based on each client's participation in the transaction;

- Partially filled aggregated orders will be allocated among eligible clients in a fair and equitable manner.

Certain of Altrinsic's clients may elect not to participate in soft dollar arrangements. This limitation may restrict Altrinsic's ability to aggregate trades on behalf of those clients and may cause those clients to pay higher prices and transaction costs than if trades were allowed to be aggregated with other customers using soft commissions.

Certain of Altrinsic's clients may direct that Altrinsic execute all or a portion of the transactions for their accounts through a specific broker. This direction restricts Altrinsic's discretion to select brokers and negotiate commission rates and may adversely affect Altrinsic's ability to aggregate trades with other clients, obtain best price and execution.

### **Item 13: Review of Accounts**

Altrinsic conducts numerous periodic reviews of its mandates and client accounts to determine whether the account is being managed in a manner that is consistent with the client's investment objectives, guidelines and/or restrictions. Compliance, in coordination with the portfolio managers, is responsible for ensuring that client guidelines are met.

The portfolio managers perform regular, informal reviews of all accounts prior to trading for the account. More formal reviews are conducted at various times throughout the year. No less frequently than annually, the investment team reviews all mandates, and the accounts thereunder, for consistency and adherence to investment guidelines/restrictions. Semi-annually, Compliance reviews the performance of similarly managed accounts to identify outliers and verify the reasons for any performance outliers. On a quarterly basis, Compliance conducts a review of the investment restrictions which were overridden as well as a review of certain low-risk investment restrictions. On a bi-weekly basis, Compliance reviews the majority of client guidelines/restrictions using an investment analytics tool and on a weekly basis, Compliance reviews representative accounts in each mandate to ensure that the portfolios are adhering to weighting guidelines. Lastly, cash restrictions are reviewed on a daily basis.

Client portfolios are monitored to ensure compliance with client guidelines. Compliance maintains a log outlining each client's investment guidelines and restrictions. Each of Altrinsic's portfolio managers has responsibility for knowing client guidelines and has access to the log. In addition, certain client investment restrictions have been entered into Altrinsic's order management system which has a built in pre-trade compliance component. Altrinsic's portfolio accounting system produces custom reports used for additional compliance monitoring. Any breaches would be reported to Compliance. Immediate review and remedy of any material breaches would be documented and reported to the Executive team.

Altrinsic provides reports to advisory clients in accordance with their investment management agreements. Investors in Altrinsic's proprietary vehicles receive reports at least quarterly outlining the investment activity in the vehicle, including performance reviews, reviews of portfolio holdings, and prospective views on the financial markets and audited financials annually.

Certain investors may receive more detailed or more frequent information.

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

Altrinsic only receives an economic benefit from clients to whom it provides investment advice.

Although Altrinsic does not currently have any arrangements with a third party solicitor/marketer, Altrinsic may enter into agreements with third party solicitors/marketers. The compensation for these services, which can be a fixed fee or a percentage of revenues on assets gathered, will be paid completely by Altrinsic and will not be increased or passed along to a client in any way. Any referral arrangement will be consistent with regulatory requirements, disclosures, and recordkeeping.

#### **Item 15: Custody**

As the General Partner to the Altrinsic International Equity Portfolio, LP, the Altrinsic Global Equity Portfolio, LP, and the Altrinsic Emerging Markets Fund, LP, Altrinsic is deemed to have custody of the funds and securities for these Partnerships. Each Partnership is audited at least annually by a PCAOB-registered and –inspected accountant. Audited financial statements are prepared in accordance with generally accepted accounting principles. These audited financial statements are distributed to all limited partners within 120 days of each Partnership’s fiscal year-end.

Altrinsic’s Chief Investment Officer, John Hock, serves as a director of the Altrinsic Global Offshore Concentrated Fund, Ltd. He is a “related person” to Altrinsic and Altrinsic accordingly has custody of the funds and securities for this proprietary vehicle due to its advisory activities. The entity is audited at least annually by a PCAOB-registered and –inspected accountant. Audited financial statements are distributed to all investors within 120 days of the fiscal year-end.

An Altrinsic employee, Niels Andersen, serves as a director of the Altrinsic Funds plc. He is a “related person” to Altrinsic and Altrinsic accordingly has custody of the funds and securities for this proprietary vehicle.

#### **Item 16: Investment Discretion**

Altrinsic accepts discretionary authority to manage securities accounts on behalf of clients and investors upon the execution of the investment management agreement (“IMA”) or offering document. Any limitations on discretion imposed by a client in a separate account, such as Socially Conscious/ESG restrictions or country/region restrictions, would be referenced in the IMA.

#### **Item 17: Voting Client Securities**

Altrinsic will accept authority to vote client securities. Under Rule 206(4)-6, Altrinsic maintains a written Proxy Voting Policy and Procedures which reflects the firm’s fundamental duty as a fiduciary to vote proxies in the best interests of our clients.

In the absence of specific voting guidelines from the client, Altrinsic will vote proxies in the best interests of each particular client. For clients that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), proxies are voted solely in the interests of the plan participants and beneficiaries.

If Altrinsic determines that a potential or actual conflict exists between the interests of Altrinsic and its clients and that voting in accordance with Altrinsic's voting guidelines and factors is not in the best interests of the client Altrinsic will make the appropriate disclosures to clients and either request that the client vote the proxy(s) or abstain from voting.

A complete version of Altrinsic's Proxy Voting Policy and Procedures is available to clients and prospective clients upon request by contacting Compliance at 203.661.0030. Also, clients may contact Compliance to request information on how Altrinsic voted such client's proxies.

Certain clients have expressly retained proxy voting authority and in such instances, Altrinsic has no responsibility and may not take any action regarding those clients' proxies. Clients should receive their proxies from their appointed custodians. Clients can contact Altrinsic with questions about a particular solicitation.

#### **Item 18: Financial Information**

Altrinsic does not require or solicit pre-payment of fees from clients.

Altrinsic is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Altrinsic has not been the subject of a bankruptcy petition at any time during the past ten years.