



INDEPENDENT
FRANCHISE PARTNERS™

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MARCH 2015

This brochure provides information about the qualifications and business practices of Independent Franchise Partners, LLP “the Firm” and its investment personnel. If you have any questions about this brochure please contact the Firm at + 44 207 495 9070 or at the above address. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authorities. Additional information about the Firm is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 MATERIAL CHANGES

This brochure contains all material updates made since the previous annual amendment in March 2014. The brochure was previously updated to reflect the change of address and registered office from the 13th October 2014 for Independent Franchise Partners, LLP. The new address is

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Item 4 ADVISORY BUSINESS

a) Advisory Business.

Independent Franchise Partners, LLP (“the Firm”) is committed to delivering attractive long-term returns while focusing on the absolute risks inherent in equity investment. The Firm offers a single, differentiated discipline expressed in two strategies: a US Franchise strategy and a Global Franchise strategy. The Firm provides discretionary investment management services to institutional clients for whom the Firm conducts business via a number of segregated client accounts and four funds: including a registered investment company, Independent Franchise Partners US Equity Fund (“RIC”); and UCITS funds, Independent Franchise Partners Common Contractual Fund (“CCF”), Independent Franchise Partners Variable Capital Company PLC (“VCC”); and a private fund, Independent Franchise Partners Global Equity L.P. (“IFP Global Equity LP”). The term “Franchise” is defined by the Firm as a business with a high and sustainable return on capital, typically because the business possesses a unique and durable intangible asset, such as a brand, license, patent or distribution network. These intangible assets provide a relatively consistent demand for the business’ product.

The Firm was founded in June 2009 and is 100% owned by the partners. It is not affiliated with any other investment management company, fund distributor, investment bank or commercial bank. This allows the Firm to focus on delivering the best Franchise portfolios to its clients and eliminates many of the conflicts inherent in larger, more diversified or distribution-driven organisations.

As at 31 December 2014, the Firm had US \$ 13.6 billion in assets under management.

The Firm is a UK incorporated Limited Liability Partnership. The Firm is authorised and regulated by the Financial Conduct Authority in the United Kingdom and is a registered investment adviser with the Securities and Exchange Commission in the US under the Investment Advisers Act of 1940. The Firm was established in June 2009 and prior to its inception, the Firm’s partners worked as an investment team at Morgan Stanley Investment Management.

The Firm provides discretionary investment advisory services to US and foreign institutions through segregated accounts and funds, including acting as a sub-adviser for the assets of other asset managers. Investment services may be more specifically tailored in accordance with: the governing investment management agreement for each segregated account; the limited partnership agreement for the IFP Global Equity LP; and the prospectuses for each of the RIC and UCITS funds. Individual limited partners may not impose investment restrictions on management of the IFP Global Equity LP beyond those set out within the governing agreements of the Fund.

The Firm strives to invest in exceptionally high quality companies which meet specific quality and valuation criteria. The Firm is committed to delivering attractive long-term returns while focusing on the absolute risks inherent in equity investment.

The minimum size for new segregated accounts is US\$200 million. As of 31 Dec 2014 Global Franchise capacity for new and existing clients is managed via a wait-list process. Clients may be offered additional capacity based on a number of factors, including but not limited to the amount of time on the waitlist, geographic distribution of investors, concentration of relationships with consultants, investor type and the ability of the investor to fund within 90 days’ notice of the offer of capacity. Additional capacity related to de minimis flows of capital may be negotiated with existing

clients. The US Franchise strategy remains open and available for investment via segregated accounts and funds.

b) Management Team

Hassan Elmasry is the Managing Partner and lead portfolio manager at Independent Franchise Partners, LLP. He has 31 years of investment experience. Prior to the establishment of the Firm, Hassan was Managing Director and lead portfolio manager for Global and American Franchise portfolios at Morgan Stanley Investment Management. Hassan joined Morgan Stanley in 1995 and was originally responsible for international and European equity portfolios until assuming responsibility for the Global Franchise strategy in April 2002 and launching American Franchise in June 2005. Previously, Hassan was an international equity portfolio manager for Mitchell Hutchins Asset Management and worked as an international equity analyst for First Chicago Corporation. Hassan received an A.B. in Economics and an M.B.A. in Finance, both from the University of Chicago. He is a CFA® charterholder.

John Kelly-Jones is a partner and chief operating officer of Independent Franchise Partners, LLP. He has 32 years of investment experience. Prior to the establishment of the Firm in June 2009, John was Managing Director and portfolio specialist for Global and American Franchise portfolios at Morgan Stanley Investment Management. John joined Morgan Stanley in 1998 and was engaged in a number of business development and client relationship management roles before transferring to the Franchise team in July 2007. Previously, John spent six years at Lend Lease Development and Investment Services developing investment management businesses in Australia and Indonesia. Prior to this, he spent nine years in commercial and investment banking in Europe, the US and Australia at Creditanstalt, Renouf Corporation and Citibank. John received a B.Sc. in Finance and a B.A. in German, both from the University of Illinois.

Michael Allison is a partner and portfolio manager of Independent Franchise Partners, LLP. He has 18 years of investment experience. Prior to the establishment of the Firm in June 2009, Michael was Executive Director and a portfolio manager/research analyst for Global and American Franchise portfolios at Morgan Stanley Investment Management. Michael joined Morgan Stanley in 2000 and served as a portfolio manager for global and European equity portfolios before joining the Franchise team in February 2005. Previously, Michael worked at NatWest Markets and Unilever. He received a BComm and a post-graduate diploma in Management Accounting, both from the University of Natal. He is a CFA® charterholder and a Chartered Global Management Accountant.

Paras Dodhia is a partner and portfolio manager at Independent Franchise Partners, LLP. He has 15 years of investment experience. Prior to the establishment of the Firm, Paras was Executive Director and a portfolio manager/research analyst for Global and American Franchise portfolios at Morgan Stanley Investment Management, which he joined in July 2002. Previously, Paras was an equity analyst at JPMorgan Chase and a strategy consultant for Oliver Wyman & Co. He received a B.Sc. in Management from the London School of Economics and an M.Phil. in Finance from the University of Cambridge. He is a CFA® charterholder.

Jayson Vowles is a partner and portfolio manager at Independent Franchise Partners, LLP. He has 14 years of investment experience. Prior to the establishment of the Firm in June 2009, Jayson was Vice President and a portfolio manager/research analyst for Global and American Franchise

portfolios at Morgan Stanley Investment Management, which he joined in August 2003. Previously, Jayson worked at Goldman Sachs and Deloitte & Touche. Jayson received a BComm. and a post-graduate diploma in Accounting from the University of Natal. He is a member of the South African Institute of Chartered Accountants (SAICA) and is a CFA® charterholder.

CFA definition:

The CFA is a graduate level self-study program offered by the CFA institute to investment and financial professionals. In order to claim this designation a candidate must complete the CFA Program, (possess a bachelor's degree (or equivalent) from an accredited institution; have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute); become a member of the CFA Institute and apply for membership to a local CFA member society and adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct. CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

c) Portfolio Management

The Firm was founded with the aim of offering the Franchise investment approach to institutional investors through a dedicated, independent, investment management partnership. The Firm employs a research process that is focused on identifying investment opportunities which demonstrate both the quality and value characteristics that it believes can deliver sustainable, long-term investment returns. Once identified, the Firm believes a patient, buy-and-hold approach is the best way to allow these companies to compound wealth for shareholders over the long-term.

The Firm measures its success through its long-term investment results and enduring client relationships. The partnership structure supports a focus on a single investment discipline; it directly aligns its interests with its clients' portfolio returns; and, ensures ownership stability and the consistency of commercial priorities.

The Firm's portfolios are actively managed using a completely bottom-up approach driven by in-depth fundamental qualitative research, supplemented by quantitative financial analysis. The Firm bases all its investment decisions on primary sources of information. It places significant emphasis on evaluating the health of a company's underlying Franchise and checking for symptoms of Franchise abuse.

d) Financial Planning

The Firm does not undertake any financial planning.

e) Describe other investment activities or specialties, if any

The Firm has only one discipline and there has been no change to the underlying Franchise philosophy or fundamental approach since the inception of the philosophy in March 1996. The team's approach to investing has always been focused on identifying companies with exceptionally high quality Franchises and attractive absolute valuation characteristics. However, the Firm regularly reviews its investment process and evaluates its investment tools. The Firm constantly looks for ways to improve or enhance its approach based on lessons learned, even when it is performing well. It has learnt not only from its investment successes, but also from the investment mistakes made over the years of Franchise investing.

Item 5 FEES AND COMPENSATION

a) Fees and minimum investment amounts for segregated portfolios

The Firm's standard asset management fee is 100bps for Global Franchise and 88bps for US Franchise. As part of the alignment of the Firm's interests with those of its clients, the Firm shares the benefits of scale with its clients. It offers a scale discount pricing structure which equitably benefits all clients. This scale discount is based on the combined total assets under management for the Global and US Franchise strategies and lowers the effective overall annual fee for all clients as assets in the strategies increase.

The scale discount applies to combined total Firm assets above US\$1 billion and steadily reduces the effective overall annual fee from 100bps to 80bps for Global Franchise and from 88bps to 68bps for US Franchise when combined total Firm assets reach US\$5 billion. The fee excludes custody fees, expenses discussed in (c) below, and applicable taxes.

The operation of the discount on the standard fee is illustrated in the tables below.

Global Franchise Fee Table

Combined Global/ US Franchise Asset Ranges	Scale Discount for Assets in each Range	Net Fee for Assets in each Range after Discount	Effective Overall Annual Fee (*)
First US\$1 billion	-	1.00%	1.00%
US\$1 – 2 billion	0.10%	0.90%	at US\$2bn - 0.95%
US\$2 – 3 billion	0.20%	0.80%	at US\$3bn - 0.90%
US\$3 – 4 billion	0.30%	0.70%	at US\$4bn - 0.85%
US\$4 – 5 billion	0.40%	0.60%	at US\$5bn - 0.80%
Above US\$5 billion	-	-	0.80%

(*) Total assets and the corresponding effective annual fee to be applied throughout each quarter are calculated at the start of the quarter.

US Franchise Fee Table

Combined Global/ US Franchise Asset Ranges	Scale Discount for Assets in each Range	Net Fee for Assets in each Range after Discount	Effective Overall Annual Fee (*)
First US\$1 billion	-	0.88%	0.88%
US\$1 - 2 billion	0.10%	0.78%	at US\$2bn - 0.83%
US\$2 – 3 billion	0.20%	0.68%	at US\$3bn - 0.78%
US\$3 – 4 billion	0.30%	0.58%	at US\$4bn - 0.73%
US\$4 – 5 billion	0.40%	0.48%	at US\$5bn - 0.68%
Above US\$5 billion	-	-	0.68%

(*) Total assets and the corresponding effective annual fee to be applied throughout each quarter are calculated at the start of the quarter.

The investment advisory fee for the RIC is 0.88% per annum, discounted according to the total value of the assets managed by the Adviser as described above. Based on the current combined assets managed by the Adviser, the effective annual rate for the RIC is 0.68%.

As the strategy has limited capacity, the Firm does not offer any client-specific discounts, performance fees, high watermarks or most favoured nation warranties. All clients pay the same fee net of the scaled discount. Clients are invoiced for their fees unless they have provided the Firm with written authorization to directly debit such fees. Clients do not have the ability to pay in advance.

b) Investment Advisory Fee

There are no additional fees from the schedules set out above.

c) Other Expenses

Clients are responsible for and do incur other expenses separate and apart from the Firm's management fees. These expenses typically include custody fees, trading and brokerage service fees and other transaction fees, and/or expenses associated with a Fund for the type of services being performed.

d) Other Compensation

The Firm does not have any affiliated entities, other than those affiliated with the Fund or RIC structures as disclosed under Item 10 below. Neither the Firm nor any of its staff accepts additional compensation for the sale of securities or other services. The Firm and its staff do not receive compensation for other services besides the investment advisory services the Firm provides.

Item 6 PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Firm does not charge performance based fees. However, the Firm does manage separate accounts trading in the same securities as those of the RIC.

Management of such accounts requires adherence to the allocation policies discussed below in Item 12. Occasionally, the Firm may effect "cross" transactions between client accounts in which one client will purchase securities held by another client. Such transactions are entered into only when the Firm deems the transaction to be in the best interests of both clients and at a price the Firm has determined by reference to independent market indicators and at which the Firm believes to constitute "best execution" for both parties. The Firm does not receive any compensation in connection with such "cross" transactions and any such trades are made in keeping with relevant regulations.

In addition, a conflict could exist where portfolio managers have personal investments in certain accounts either directly or through pension or deferred compensation arrangements. The portfolio manager may have an incentive to favor these accounts over others. The Firm has adopted trade allocation procedures, a Code of Ethics (as summarized in Item 11 of this document) and other policies and procedures that they believe are reasonably designed to address these and other conflicts of interest.

Item 7 TYPES OF CLIENTS

The Firm offers only the Global and US Franchise strategies, primarily to institutional investors, who include pension plans, investment companies, sovereign wealth funds, pooled investment vehicles, state or municipal government entities, charitable organizations and banking institutions.

The Firm requires a minimum of \$200,000,000 for the management of new segregated accounts and \$3 million in order to invest in the Firm's pooled vehicles with the exception of the CCF which has a minimum of \$10 million for initial investment. In addition, in order to invest in the IFP Global Equity LP, the investor must qualify as an "accredited investor" as defined under Rule 501(a) of Regulation D under the Securities Act of 1933 and/or as a "qualified purchaser" as defined under Section 2(a)(51) of the Investment Company Act of 1940.

The Firm reserves the right to serve only those clients who meet certain criteria and may refuse to enter into an agreement with any person or institution for any legally acceptable reason.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Franchise investment approach is founded on the belief that a concentrated portfolio of exceptionally high quality companies - whose primary competitive advantage is supported by a dominant intangible asset - selected with an absolute value bias will earn attractive long-term returns with less than average absolute volatility.

The Firm's investment universe comprises securities listed on major stock exchanges around the world. However, the actual investment universe is small and well defined.

The Firm's preliminary sources of information include annual reports and regulatory filings, independent databases, the press and stockbrokers' equity research. Meeting company management before investment is also an important part of the Firm's research process.

The Firm produces detailed proprietary financial models for each company. The models are used to measure the absolute valuation of the company and to help assess the quality of the franchise.

Portfolio Guidelines and Risk

The Firm does not invest more than 10% of any portfolio in any one company, nor does it invest more than 25% of a portfolio in any one industry. The Firm does not hold more than 10% of the outstanding shares of any publicly listed company. The Firm does not invest in options, futures or other derivatives except, where permitted by client guidelines, forward foreign exchange contracts used for hedging purposes. The Firm does not use leverage. Sector, industry and country weightings result from the Firm's stock selection process and it does not impose any hard or soft benchmark-relative exposure limits.

The Firm monitors absolute risk continuously as part of its rigorous analysis of potential and existing investments and in constructing portfolios. Control of company and stock-specific risk is built directly into the Firm's stock selection process. The objective is to minimise business risk while avoiding the further risk of overpaying.

Investing in securities in general involves risk of loss that clients should be prepared to bear. The Firm cannot guarantee that it will achieve its investment objective. The Firm's principal investment strategy of investing in common stocks presents the following material risks:

- **Market Risk.** From time to time, stocks prices in general may decline significantly. Markets go through periods of rising prices as well as periods of falling prices depending on investors' perceptions about the economy, interest rates, and the attractiveness of other securities such as bonds or real estate.
- **Individual Company Risks.** The price of one or more of the stock of the companies the Firm invests in on behalf of clients may fail to appreciate for an extended period of time or may decline rapidly and significantly due to adverse company developments. Price declines may occur for any number of reasons including competition, regulation, or changes in customer preferences.
- **Equity Risk.** The value of the equity securities can fluctuate, at times dramatically. The prices of equity securities are affected by various factors, including market conditions,

political and other events, and developments affecting the particular issuer or its industry or geographic sector.

- **Currency Risk.** The strategies' investments may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment to fluctuate due to the fact that the currency positions held by the Fund may not correspond with the securities positions held. Financial instruments such as forward contracts may be used to seek to hedge against fluctuations in the relative values of the Fund's portfolio positions as a result of changes in currency exchange rates.
- **Small and Mid-Cap Company Risk.** These companies may be subject to greater market risks and fluctuations in value than large capitalization companies and may not correspond to changes in the stock market in general.
- **Foreign and Emerging Market Investment Risk.** Foreign investing involves risks not typically associated with US investments, including adverse fluctuations in foreign currency values and adverse political, social and economic developments affecting a foreign country. The foreign securities in which the Fund may invest may be issued by issuers located in emerging markets or developing countries. Emerging markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade a small number of securities.
- **Concentration Risk.** The strategies may invest in a relatively small number of investments. Concentrated portfolios may be more volatile than more diversified portfolios with a larger number of investments and may be more significantly impacted by a decline in the value or circumstance of any one stock, asset classes, industry or sector.
- **Management Risk.** The Firm's judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security in which the strategy invests may prove to be incorrect, and there is no guarantee that individual companies will perform as anticipated.

Item 9 DISCIPLINARY INFORMATION

The Firm and its supervised persons have not been involved in any legal or disciplinary events since inception in June 2009. Furthermore, no litigation claim was made against the team or any individual members of the team during their time at Morgan Stanley Investment Management or at any of their previous employers.

Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Firm is the parent company of the General Partner of IFP Global Equity LP, a Delaware limited partnership. The General Partner of IFP Global Equity LP is Independent Franchise Partners GP, LLC (the “General Partner”) a Delaware limited liability company. IFP Global Equity LP has retained the Firm as its discretionary investment manager. Certain members, officers and staff may serve as directors or hold executive positions with the General Partner of the Fund.

The Firm serves as the investment adviser for the RIC an open-ended registered investment company. The RIC is sold through the mutual fund platform provided by Beacon Hill Fund Services, Inc, an unrelated third party.

The Firm does not have any relationships with any related industry participants that create material conflicts of interests with clients. The Firm has marketing arrangements with Frontier Partners Inc. and its affiliate Frontegra Asset Management Inc.

Item 11 CODES OF ETHICS, PARTICIPATION OR INTERESTS IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pursuant to Rule 204A-1 of the Advisers Act, the Firm has adopted a Code of Ethics (“Code”) imposing on each supervised person a duty to place the interests of clients first, and to report to the Firm any actual or potential conflict of interest. The Firm’s Code is based on the principle that the Firm’s personnel owe a fiduciary duty to the Firm’s clients to conduct their affairs, including personal securities transactions, in such a manner to avoid (i) serving their own personal interests ahead of clients; (ii) taking inappropriate advantage of their position with the Firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. The Code also includes formal personal securities trading policies and procedures. The Code was created to address the fiduciary duties of staff to clients, limit potential conflicts of interest, prevent the inappropriate use of material non-public information, and to monitor the personal securities trading by employees. The Code requires each officer and any member of staff with access to investments or portfolio information of the Firm’s clients (each an “Access Person”), to report quarterly and annually their and their immediate family members’ securities holdings and transactions to the Firm’s Chief Compliance Officer (“CCO”) or his designate. Personal trading in initial public offerings is prohibited. The Code also requires staff to report certain outside business activities.

The Firm’s personnel must obtain prior written approval as appropriate from the CCO, or his designate, for personal account transactions in securities. These personal transactions will be approved only if they are not likely to have any adverse economic impact on the Firm’s clients. The Firm’s personnel are not permitted to carry out personal account transactions in securities within the Firm’s investment strategies’ stock universe. The CCO or his designate, reviews all securities transactions to ensure no conflicts exist with client transactions.

Staff receive training on the Code and must sign an annual attestation confirming they have disclosed: a) any compliance breach that they have committed; b) any potential conflicts of interest of which they are aware; and, c) all securities accounts in which they have a potential interest.

The Code also imposes restrictions and safeguards on the use of material non-public information. All clients and prospective clients may obtain a copy of the Firm’s Code by writing to the Firm at:

Level 1
10 Portman Square
London
W1H 6AZ
or calling: + 44 207 495 9070

Item 12 BROKERAGE PRACTICES

Subject to each client's guidelines, limitations or restrictions, the Firm generally has the authority to determine for each client:

- Which securities are to be bought or sold;
- The total amount of securities to be bought or sold;
- Through which broker(s) or dealer(s) those securities are to be bought or sold; and
- The commission rates or spreads to be paid for each transaction.

The Firm has no obligation to deal with any particular counterparty in the execution of transactions. In placing orders for the purchase and sale of securities and selecting counterparts to effect these transactions, the Firm seeks prompt execution of orders at the most favourable prices reasonably obtainable. In doing so, it will consider a number of factors, including, without limitation: the overall direct net economic result to the client or fund (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range), the financial strength, reputation and stability of the counterparty, the efficiency with which the transaction is effected, the availability of the counterparty to stand ready to execute possibly difficult transactions in the future and other matters involved in the receipt of brokerage and research services.

a) Selection of Broker-Dealers

The Firm has a duty to select broker-dealers, banks, or other financial institutions as counterparties, who will provide clients with best execution when the Firm transacts on a client's behalf.

The Firm's trading and engagement with counterparties is managed in accordance with its Counterparty Selection and Order Execution policies and related procedures. A proposed counterparty is evaluated by the partners of the Firm in consultation with the trader, the compliance manager and the head of the Firm's middle office employing the following criteria: the reputation and integrity of the counterparty; the counterparty's credit rating; the counterparty's accessibility and experience of the markets where the Firm wishes to transact; the ability of the counterparty to effect prompt and reliable transactions; the ability of the counterparty to provide liquidity; the ability of the counterparty to provide consistent best execution, the competitiveness of the costs of the counterparty's services; the prices achieved for the Firm's trades; speed of execution; the quality of market information provided by the counterparty and the counterparty's conflicts policy.

The Firm undertakes periodic reviews of the best execution performance of counterparties and commissions earned by counterparties. The Firm verifies the credit rating of the Firm's designated counterparties on a monthly basis.

1. Soft-Dollars Arrangement

In selecting qualified broker/dealers to execute brokerage transactions, the Firm considers broker-dealers who provide brokerage or research services, as defined in Section 28(e) of the Securities Exchange Act of 1934. The Firm fully unbundles commissions and uses commission sharing arrangements ("CSAs"). A broker is chosen as the counterparty based solely on its trade execution capability and research providers are chosen separately and are paid from the

research commission pool. CSAs allow the Firm to accrue research payments and then pay these out to approved research providers on a regular basis. The Firm uses a CSA aggregation service which sweeps the CSA commissions from each executing broker into a separately held pool. This improves the operational efficiency of the process and allows an impartial third party to make payments to the Firm's research providers.

Research services may include fundamental research reports, technical and portfolio analyses from a range of sources including full service brokers, expert networks and independent research providers. Research services are only used when the Firm considers them directly beneficial to clients. In order for the research services to be paid from dealing commission the services must meet the criteria set out in the FCA and SEC rules.

A research budget is established at the beginning of each calendar year which sets the maximum spend on research that is to be paid for with dealing commission. The Firm estimates research needs and sets the budget for research based on a number of factors. This annual research budget is determined using a bottom up estimation of the cost of broker research as well as a forecast of research needs for the upcoming year.

Once the Firm has accumulated sufficient research commissions to reach the research budget, trading is switched to execution-only rates. This ensures that increased trading levels or growth in assets under management do not automatically lead to a greater research spend.

Some brokerage and research services received may benefit some or all of the Firm's clients and funds under the Firm's management and may not benefit just the client or fund generating the commission paid for the research. Additionally clients who trade after the research budget has been reached may benefit from lower trading costs than clients who trade in the prior period, when research is being paid from commissions. The Firm believes that its receipt of brokerage and research services will, over time, benefit all clients and funds. Investment advisory fees will not be reduced as a result of the Firm's receipt of research services.

2. Brokerage for Client Referrals

This section is not applicable to the Firm. Please refer to section 14 and the stated agreement with Frontier Partners, Inc.

3. Directed Brokerage

In general, the Firm does not accept clients who require the Firm to execute transactions through a specified broker-dealer.

b) Aggregation and allocation

In order to ensure that all clients are treated fairly, the Firm employs an aggregation and allocation strategy. In the normal course, and where possible, orders are bunched and allocated pro-rata to the nearest round lot to all client accounts. Bunching avoids placing competing orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders.

The firm's allocation process is defined by a model within Bloomberg AIM which allocates trades automatically (equity and FX hedges) to all participating accounts on a pro-rata basis. Any exception to the above requires approval from the CCO or his designate and must be sought before any allocation is made and advised to the broker.

c) Errors

As a fiduciary, the Firm has the responsibility to execute orders in the best interest of its clients. In the event any trade error occurs in the handling of any client transaction, the Firm's policy is to identify and correct any error as promptly as possible without disadvantaging the client. Trade errors are documented with appropriate supervisory approval and maintained in a trade error file.

Item 13 REVIEW OF ACCOUNTS

a) Client Account Reviews

The Firm's portfolio managers, compliance and operations review the client portfolios daily. The Firm undertakes a review of each client account as may be agreed in its Investment Management Agreement, and typically meets with the clients annually to review their portfolio.

b) Client Reports

Segregated clients receive monthly statements from the Firm's administrator, detailing holdings and transactions including the account's beginning and ending values, return/performance for the period, and other portfolio characteristics, commentary and narratives. Clients receive quarterly newsletters which summarize the holdings and transactions covering the previous quarter's activity. Clients receive quarterly commission statements setting out their commission costs for the preceding quarter.

Fund investors receive monthly performance reviews detailing holdings and transactions including the account's beginning and ending values, return/performance for the period, and other portfolio characteristics and commentary. The Firm's funds are subject to annual audits and the audited financial statements are provided to investors in the Fund.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

The Firm engages placement agents or other introducing firms in order to identify it to potential clients or Fund investors. The Firm engages in such arrangements only with persons who are registered under SEC regulations as investment advisers or broker-dealers. The Firm currently retains Frontier Partners Inc. an investment adviser registered with the US Securities and Exchange Commission and its affiliate Frontegra Strategies, LLC, a FINRA registered broker dealer in relation to referrals into the IFP Global Equity LP . In addition, the RIC is sold through the mutual fund platform provided by Beacon Hill Fund Services, Inc.

The Firm may compensate its staff in relation to the solicitation or marketing of segregated client accounts.

Item 15 CUSTODY OF CLIENTS CASH & SECURITIES

All segregated client account assets are held by each client's chosen custodian. All client accounts are held in custody by unaffiliated broker/dealers or banks; however the Firm has authority from certain clients to debit its advisory fee from their account. Clients will receive statements directly from their custodian and should carefully review the statements they receive from their custodian and compare those statements to any account information provided by the Firm.

Assets of the Firm's funds are held at the Firm's qualified custodian bank The Northern Trust Company. Amongst the clients, all the Firm's funds are subject to annual audit. Under Rule 206(4)-2 of the Investment Advisers Act of 1940, an adviser has custody if it acts in any capacity that gives the adviser legal ownership of, or access to, a client's funds or securities. Accordingly, the Firm generally has custody of the assets of the IFP Global Equity LP because its affiliate, as discussed in Item 10 above acts as general partner or investment manager. The IFP Global Equity LP is subject to an annual audit and audited financial statements are distributed to each investor within 120 days of IFP Global Equity LP's fiscal year end.

Item 16 INVESTMENT DISCRETION

The Firm manages client assets on a discretionary basis with the authority to determine for each client what investments are made, as well as when and how they are made.

Accounts are invested in the Global and US Franchise strategies aligning with their respective model portfolios and all accounts are invested equitably. A client may impose a restriction, limitation or other requirement, subject to any approved deviation from the standard investment management agreement. Any client request for a change in the management of its mandate is subject to agreement by the Firm.

Item 17 VOTING CLIENT SECURITIES

The Firm will vote proxies in a prudent and diligent manner and in the best interests of clients. The Firm's portfolio managers are jointly responsible for monitoring and reviewing all proxies received by the Firm. The Firm utilizes the recommendation-based proxy advisory services of ISS Governance Services ("ISS"). ISS is an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investors and their clients. The services provided include in-depth research, global issuer analysis and voting recommendations. While the Firm may review and utilize the recommendations of ISS in making proxy voting decisions, the Firm is in no way obligated to follow such recommendations.

The Securities Exchange Commission adopted Rule 206(4)-6 under the Investment Advisers Act of 1940, which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In accordance with such rules, the Firm has adopted a Proxy Voting Policy and procedures and the responsible portfolio manager will vote any proxy according to this policy. The Firm uses its best efforts to vote proxies as part of its authority to manage client assets. However for clients who participate in stock lending programmes, the Firm will not generally vote when proxies are received for stock that is out on loan. The proxy voting procedures are designed to ensure that proxies are voted in the best interest of the Firm's investors and no conflicts of interest exist. The Firm cannot guarantee that it votes all proxies, and may be hampered by particular rules relating to the jurisdiction in which the company is located. Clients may obtain a copy of the Firm's Proxy Voting Policy by contacting the address listed on the front page of this brochure, or by calling: + 44 207 495 9070. The Firm is under no obligation to advise or act for clients in legal proceedings including bankruptcies and class actions involving securities purchased or held in client accounts.

The Firm has full authority to vote for those clients who have provided authorisation to do so. The Firm does not accept directions from clients.

The Proxy Voting Policy addresses a broad range of issues and provides general voting parameters on proposals that arise most frequently. Details of specific proposals do vary and may affect particular voting decisions. The Firm may vote in a way that is not in accordance with the general guidelines, provided that the partner responsible for the particular proxy vote consults with the Managing Partner and the vote is consistent with the objective of maximising long term investment returns. In the Managing Partner's absence, the partner responsible for the particular proxy vote will confer with the other partners in order to make a consensus decision.

The Firm endeavours to integrate governance and proxy voting policy with investment goals, using the vote to encourage portfolio companies to enhance long-term shareholder value and to provide a high level of transparency.

The Firm may provide on request, a copy of its proxy voting policies and procedures and information on how the proxies were voted.

Item 18 FINANCIAL INFORMATION OF THE ADVISER

The Firm prepares its financial statements in accordance with generally accepted accounting principles, audited by an independent public accountant and accompanied by a note stating the principles used to prepare such statements. There are no financial events that have occurred to the Firm that would negatively affect the financial viability of the Firm or that is expected to affect its ability to manage client accounts.