



## **ITEM 1 – Cover Page**

**Trinity Street Asset Management LLP  
Form ADV Part 2A-Disclosure Brochure  
June 17, 2015**

**1 Cavendish Place  
London W1G 0QF  
United Kingdom  
44 020 7495 9110  
<http://www.trinitystreetam.com>**

**SEC File Number: 801-71133  
CRD Number: 152728**

*This brochure provides information about the qualifications and business practices of Trinity Street Asset Management LLP (“Trinity Street” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 44-207-495-9110 or [info@trinitystreetam.com](mailto:info@trinitystreetam.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Trinity Street also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **Item 2 - Material Changes**

This section only discusses material changes since the last annual update of this brochure. The last annual update was June 10, 2014. Since that date:

- Schedule A – Trinity Street has added Pauline Hughes and Sean Landers as general partners of the LLP.
- Item 4 – Advisory Business: we have updated our Assets under Management as of May 31, 2015.

A copy of our brochure will be provided to any client or prospective client free of charge upon request. If you would like to receive a copy, please contact our Chief Compliance Officer at 44- 207- 495-9110 or [compliance@trinitystreetam.com](mailto:compliance@trinitystreetam.com). Our brochure is also available on the SEC website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ITEM 3 – Table of Contents

	Page
Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	5
Overview of the Firm.....	5
Investment Services.....	6
Assets under Management.....	6
Item 5 – Fees and Compensation.....	6
Billing Practices.....	6
Separately Managed Accounts.....	6
Most Favored Nation Clauses for Separately Managed Accounts.....	6
Commingled Funds .....	6
European Funds .....	7
Sub-Advisory Arrangements.....	7
Other Fees and Expenses.....	7
Termination of Account.....	7
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Performance-Based Fees.....	7
Side-By-Side Management.....	7
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Risk of Loss.....	9
Minimizing Risk of Loss.....	9
Item 9 – Disciplinary Information.....	10
Item 10 – Other Financial Industry Activities and Affiliations.....	10
Item 11 – Code of Ethics.....	10
Code of Ethics and Fiduciary Duty.....	10
Error Correction Trades.....	11
Personal Securities.....	11
Gifts and Business Entertainment.....	11
Principal or Agency Cross Trading.....	11
Privacy.....	11
Item 12 – Brokerage Practices.....	12
Trading.....	12

Brokerage Discretion and Selection.....	12
Best Execution.....	12
Trade Allocation.....	13
Block Trading of Client Orders.....	13
Item 13 – Review of Accounts.....	14
Account reviews.....	14
Client Reporting.....	14
Item 14 – Client Referrals and Other Compensation.....	14
Relationships with Consultants.....	14
Compensation for Client Referrals.....	15
Soft Dollars.....	15
Item 15 – Custody.....	15
Item 16 – Investment Discretion.....	16
Class Action Suits and Other Legal Actions.....	16
Item 17 – Voting Client Securities (ie., Proxy Voting).....	17
Item 18 – Financial Information.....	18
Privacy Policy.....	19

## Item 4 - Advisory Business

### Overview of the Firm

Trinity Street Asset Management LLP ("Trinity Street" or the "Firm") is an investment adviser registered with the SEC under the Investment Advisors Act of 1940 ("Advisors Act") as amended. The firm was founded as Bruce Nelson Capital in 2003 and registered with the SEC as an investment adviser on March 22, 2010. Trinity Street is based in London, United Kingdom, where it has been authorised and regulated by the U.K. Financial Conduct Authority since 2003.

The Firm is a Limited Liability Partnership which was established in 2002 under UK law. The controlling corporate member is Bruce Nelson Cayman Ltd.

The Firm's strategic objective is focused on delivering consistent excess returns over the long term to a mainly institutional client base that is equally long-term in its thinking and strategic positioning. Trinity Street's client portfolios will ordinarily be invested in global exchange-listed equity securities.

We believe that three key aspects set us apart from the competition:

- 1. Our philosophy:** We focus our research exclusively on companies experiencing periods of rapid change because this is where disruptions to normal market pricing mechanisms are most likely to be found. Our long track record of general outperformance suggests that we are successful in identifying pricing anomalies over the long term. The key advantage here is that "change" is a constant in business and markets and is ever-present, although where change takes place is constantly moving. "Under-Recognised Change" arises irrespective of whether value, growth or other trends are generally impacting markets and can therefore be seen as a consistent source of alpha.
- 2. Specialisation:** Global and EAFE equity investing in a maximum of 35 stock portfolios is all we do. We have no distractions. 100% of our time is focused on aiming to ensure that our clients achieve their performance objectives with this type of mandate – our whole organisation is geared solely to achieving that aim. This represents a very different environment from fund management houses who may seek to balance the risk of their global equity strategy underperforming by launching alternative strategies.
- 3. Our people:** Each of our fund managers have considerable experience of global investing within highly regarded financial institutions. Each portfolio manager has come to Trinity Street because they believe that global investing can be done much better than how it is done in such large institutions. Trinity Street Asset Management is the product of deep and intensive thought about why large institutions tend to underperform and what can be done about it. One of the most important aspects of this is creating an environment in which a team of experienced people can work together effectively to create a coherent, alpha-generating equity portfolio from what is the biggest possible equity universe. Empirical performance evidence shows that large numbers of people and huge resources lead to worse performance rather than better. Genuinely effective teamwork (as opposed to the creation of large teams) and a market-leading approach to incentive, including the use of performance fees that harnesses only the very best ideas of three top fund managers, are among the key reasons for our investment success and set us apart from the overwhelming majority of our competitors.

### **Investment Services**

The Firm provides discretionary investment management services and products to institutional clients, such as employee benefits plans, endowment funds, foundations, religious organizations and individual investors. In performing investment advisory services for its clients, Trinity Street acts as a fiduciary and has a duty to act solely in the best interests of the client. Trinity Street's fiduciary duty derives from Section 206 of the Advisers Act, for those pension plan clients and funds that are subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Trinity Street is a "covered service provider" to the plan under the ERISA Section 408(b)(2) regulations and is a fiduciary under Section 3(21) of ERISA.

Trinity Street makes investments for clients in accordance with mutually agreed upon written investment guidelines and provides continuous supervision of client portfolios. Trinity Street has established procedures and controls to help ensure compliance with each client's investment guidelines and any client-imposed restrictions.

Trinity Street reserves the right to reject any account not consistent with its investment philosophy.

### **Assets under Management**

As of May 31, 2015 Trinity Street managed approximately \$3.7 billion in discretionary assets. Discretionary assets are those over which we have full authority to make investment decisions.

## **Item 5 - Fees and Compensation**

### **Billing Practices**

Management fees are generally payable quarterly in arrears and are computed based on the market value of the Client's investment portfolio at the end of the billing period. Fees are pro-rated on a daily basis for a portion of any quarterly fee period. Account investment portfolio is comprised of all assets, including cash, cash accruals, additions, substitutions and alterations that are subject to advice by or discretionary authority of Trinity Street.

### **Separately Managed Accounts**

Trinity Street reserves the right to negotiate fees. Some clients pay more or less than others depending on certain factors, including but not limited to, the type and size of the account. In addition, Trinity Street will normally charge a performance-based fee of 20% calculated by reference to the relevant high water marks for such Advisory accounts. More detail is available in Item 6 – Performance-Based Fees and Side-By-Side Management.

### **Most Favored Nation Clauses for Separately Managed Accounts**

Trinity Street generally does not enter into contracts with "most favored nation" clauses. However, certain Institutional Separate Account clients have negotiated such clauses in their Advisory Contracts. These clauses require Trinity Street to decrease the fees charged to the "most favored nation" client if Trinity Street enters into an advisory agreement at a lower fee rate with another institutional client. The applicability of a "most favored nation" clause may depend on the degree of similarity between institutional clients, including the amount of assets under management and the particular investment strategy selected by each client, however, Trinity Street does not agree to "most favored nation" clauses in all circumstances where institutional clients are similarly situated.

### **Commingled Funds**

Trinity Street serves as the Investment Manager and General Partner to the Trinity Street Commingled Global Equity Fund, LP and Trinity Street Commingled EAFE Equity Fund, LP. Fees relating to the LP are further described in their Confidential Private Offering Memoranda.

### **European Funds**

Trinity Street is the investment advisor to the Trinity Street Funds - Global Equity Fund. The fund was incorporated in Luxembourg as an open-ended investment company qualifying as a UCITS (Undertaking for Collective Investment in Transferable Securities). This fund is not available to US investors. The Fund's fee and expense schedule is found in the Fund's prospectus and can be obtained by contacting [info@trinitystreetam.com](mailto:info@trinitystreetam.com).

### **Sub-advisory Arrangements**

Trinity Street has been engaged by HGK Asset Management to manage a number of segregated accounts on their behalf. In its capacity as "sub-adviser" to these segregated accounts, Trinity Street's fees and services are determined by contract with the adviser.

### **Other Fees and Expenses**

Clients may pay other expenses in addition to the fees paid to Trinity Street. For example, clients may pay costs such as brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees and electronic fund fees, and other fees and taxes charged to security transactions which are unrelated to the fees collected by Trinity Street.

### **Termination of Account**

A client may terminate the Investment Management Agreement with Trinity Street at any time subject to a short notice period without penalty by giving written notice to Trinity Street, in which case fees will be pro-rated according to the number of days services are provided during the applicable billing period.

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

### **Performance-Based Fees**

For some accounts, Trinity Street receives performance-based fees for its investment management services. A performance-based fee is a fee representing an asset manager's compensation for managing an account which is based upon a percentage (usually 20%) of the net profits of the account being managed. When calculating net profits, performance-based fees are based on benchmark relative returns and are subject to a high water mark. For accounts managed in accordance with the global investment strategy, a performance-based fee represents our standard fee arrangement. Trinity Street also reserves the right to have both performance-based fee accounts and asset-based fee accounts within other investment strategies such as the EAFE (International) strategy. Any such arrangement will be made in compliance with the Investment Advisers Act of 1940, as amended or other applicable requirements.

### **Side-By-Side Management**

Trinity Street has adopted policies and procedures to mitigate possible inherent conflicts associated with managing accounts for multiple clients. Trinity Street has adopted trading and allocation policies designed to ensure that its side-by-side management of accounts with different types of fees is at all times consistent with its fiduciary responsibilities to its clients, and that no client account is favoured over another. These policies include requirements that all accounts in the same strategy generally be managed the same way, that is, the accounts must have the same portfolio holdings and must be traded at the same time, regardless of the fee arrangement. Accounts are regularly reviewed by the compliance department to ensure these policies are closely followed, that buy and sell opportunities are allocated fairly among client accounts.

## Item 7 - Types of Clients

Trinity Street can provide portfolio management services to the following types of clients:

- Corporations
- Defined contribution and defined benefit pension plans
- Endowments and foundations
- Trusts
- Charitable organisations
- Insurance companies
- Investment companies (including mutual fund companies)
- Taft-Hartley plans
- Investment consultants
- Sovereigns and central banks
- State and local governments
- Supranational organisations
- Religious organisations
- Pooled investment vehicles
- Banking institutions

Trinity Street also acts as a sub-adviser to HGK Asset Management Inc for its Global and International (EAFE) Equity mandates.

Minimum account size is generally \$15 million for opening a segregated account, although Trinity Street reserves the right in its sole discretion to accept client accounts with fewer initial assets.

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

The main methods of analysis are based on the following:

- The firm's proprietary research library consists of over 2500 company spreadsheets. These are company specific research models dating back to 1991 across 36 different markets. The objective of using a standardised template is to enable us to quantify the extent to which our view differs from the market and to ensure that we look at each stock in the same way. The portfolio managers see this as a crucial investment discipline because it forces them to compare each global stock idea along the same parameters.
- The portfolio managers' company visiting programme. The portfolio managers have logged contacts with an average of around 600 companies per annum, including the suppliers, clients and competitors of companies that they are researching. These company meetings are used to refine models on companies and also generate further potential investment ideas.
- The in-depth analysis of possible Under-recognized Change (URC) opportunities: Here, the firm undertakes extremely in-depth analysis of possible investment opportunities, including divisional level modelling if appropriate, often carried out with direct inputs from the company (garnered in company visits and phone calls). The exact content of the model is flexible and depends on the type of company being analysed, but the outputs are usually much the same and include proprietary forecasts of revenues, cash flows, earnings, etc, to a degree of detail that enables them to compare their view with the consensus view prevailing in the market, on which the company's stock price is based.

While the portfolio managers have a significant amount of experience in global investing, it is important to note that no level of experience can guarantee a correct valuation of a company.



Equally, unexpected events may occur internally or externally to change a company's value in a way that may be positive or negative to the company's stock price. This means that the price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. These methods of analysis are based on the firm's main investment strategy, which focuses entirely on bottom-up fundamental research of companies rapidly changing fundamentals. The firm operates with the view that equity markets are usually efficient and provide an adequate mechanism for valuing companies and taking into account all of the company-specific data and external influences on such valuations. However, this pricing mechanism can be interrupted when a company is undergoing rapid and fundamental change. On occasions, the market can be slow to interpret the impact and consequences of such change, sometimes leading to major mis-pricings. Consequently, the firm focuses on rapidly-changing companies, to discern whether the consequences of the change taking place are "under-recognised" by brokers' forecasts and/or the market valuation of the company meaning that the company may be undervalued. All of the stocks in our portfolios have a clearly identified Under-Recognised Change (URC) Factor. It takes place irrespective of whether value, growth or other trends are generally impacting markets. Under-Recognised Change can therefore be seen as a consistent source of alpha which should work in most market environments.

### **Risk of Loss**

Trinity Street cannot give any guarantee that it will achieve client investment objectives or that a client will receive a return on its investment. It should be noted that investing in securities involves a risk of loss as well as gain, which clients should be prepared to bear. Past performance is not a guide to the future and prices of investments may rise as well as fall. Investors may not get back the full amount invested.

Investing in Trinity Street's products face the following investment risks:

- Equity Market Risk : Overall stock market risks may adversely affect the value of the investments in equity strategies. Factors such as global economic growth and market conditions, interest rates and political events affect the equity markets.
- Company Risk : Individual stocks may decline in value. Additionally, an adverse event, such as an unfavourable earnings report, may depress the value of a particular company's stock.
- Management Risk : Our judgements about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole.
- Counterparty Risk : Counterparty risk is the risk that the other party or parties to an agreement or a participant to a transaction, such as a broker or a custodian, might default on a contract or fail to perform by failing to pay amounts due or failing to fulfil the obligations of the contract or transaction.
- Economic and Market Events Risk : Global economies and financial markets are becoming increasingly interconnected and conditions and events in one country, region or financial market.
- Government Intervention and Regulation of Financial Markets : Changes in government regulation may adversely affect the value of a security.

### **Minimizing Risk of Loss**

We believe the professional and disciplined execution of our investment philosophy will generate sustainable investment returns for Trinity Street client accounts. However, the cumulative effect of

company specific risk and systemic risk of a domestic and/or global nature clearly imply that no investment is guaranteed. Trinity Street clients invest with the full knowledge that loss of principal is a real risk.

## **Item 9 - Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Trinity Street's or the integrity of Trinity Street's management.

Trinity Street has no material legal, regulatory or disciplinary events to disclose. This information has also been submitted to the Securities and Exchange Commission as Section 11 of Trinity Street's Form ADV, Part I, and can be confirmed at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Trinity Street and its employees are not registered, nor have an application pending to register, as a broker/dealer, futures commission merchant, commodity pool operator, or commodity trading advisor.

Trinity Street generally does not receive compensation directly or indirectly or maintain a business relationship with any third party that creates a material conflict of interest. Trinity Street is sub-advisor for investment management services to HGK Asset Management, and does not believe these advisory services create material conflicts of interest between the firm and other clients. Trinity Street has written policies and procedures, including allocation and best execution policies which are designed to manage, monitor and mitigate any such potential or actual conflict.

The Firm is a wholly-owned subsidiary of Bruce Nelson Cayman Ltd.

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

### **Code of Ethics and Fiduciary Duty**

We value client trust and place our fiduciary responsibilities to each client first and foremost in all aspects of our business. Trinity Street has adopted a Code of Ethics (the "Code") that complies with SEC Rule 204A-1 under the Investment Advisors Act of 1940. Trinity Street also complies with the CFA Institute's Asset Manager Code of Professional Conduct and this can be confirmed on the CFA's Institutes website.

[http://www.cfainstitute.org/ethics/codes/assetmanager/Pages/firms\\_claiming\\_compliance.aspx](http://www.cfainstitute.org/ethics/codes/assetmanager/Pages/firms_claiming_compliance.aspx)

The firm's Code, sets forth standards of business conduct for the Firm and its Supervised Persons (all employees, Access Persons and others designated by Trinity Street's Chief Compliance Officer ("CCO")). The Code is based on the principle that the Firm and its Supervised Persons have a fiduciary duty to act in the best interests of Trinity Street's Clients.

The Code sets forth record keeping requirements and the responsibilities of the CCO with respect to review of personal securities transactions, personal holdings and trading reports and monitoring compliance with the Code. The Code also outlines policies for sanctioning supervised Persons who violate the Code.

Supervised persons must comply with federal securities laws, certify that they have read and understand the Code and report any violations of the Code to the CCO. The Code sets forth limitations on Supervised Persons receiving gifts from third parties. Supervised Persons may not solicit gifts from any party with whom we conduct or could conduct business.

The Firm's Code requires all employees to acknowledge that they have read and understand the Code, and reaffirm such acknowledgment at least annually.

### **Error Correction Trades**

From time to time, trading errors may occur. Trinity Street strives to correct errors in client accounts in a fair and timely manner and in a way that the client will not suffer a loss. To manage potential conflicts concerning errors, Trinity Street has implemented written trade error policies and procedures.

### **Personal Securities**

Supervised persons are required to submit to the CCO an initial and annual report listing their Reportable Securities and a quarterly report of transactions. All personal securities transactions, other than those specifically exempted by the Code, are required to be preapproved by the CCO, or his delegate.

Supervised Persons are also subject to restrictions on participating in initial public offerings and private placements and the right of the Firm to require them to disgorge any profits from a transaction deemed, after the event, to conflict with Client interests.

Supervised Persons are prohibited from trading either in their personal accounts or Client accounts on the basis of material non-public information.

### **Gifts and Business Entertainment**

Trinity Street's Code includes policies and procedures regarding giving or receiving gifts and business entertainment between the Firm's employees and certain third parties (e.g., vendors, broker/dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. In general, Trinity Street limits the amount of gifts and business entertainment that may be provided by employees to these parties, and requires the pre-approval of certain items by our Compliance Department. Trinity Street specifically monitors for any potential conflicts of interest with respect to individual instances of gifts or entertainment, as well as patterns of the same over time, to prevent the interests of Trinity Street and its employees from being placed ahead of the interests of our clients.

### **Principal or Agency Cross Trading**

Trinity Street will not affect any principal or agency cross securities transactions for client accounts.

### **Privacy**

Trinity Street is committed to maintaining the confidentiality, integrity and security of our current and prospective client's non-public personal information and adheres to high standards in order to safeguard such information. As part of this commitment, we have adopted a Privacy Policy, which is included at the end of this Brochure.

## Item 12 - Brokerage Practices

### Trading

As a fiduciary, Trinity Street places client's interests first and foremost. The Firm's trading policies and procedures prohibit unfair trading practices and seek to avoid any conflicts of interests or resolve conflicts in the client's favour. We follow written policies and procedures for trade documentation, reporting of trade order status, resolution of trade errors, trade allocation and trade aggregation. All Trinity Street employees must follow these policies and procedures which are tested by Compliance to ensure their effectiveness.

### Brokerage Discretion and Selection

Trinity Street generally assumes responsibility for selecting brokers and dealers for the execution of securities transactions recommended on behalf of its Funds or segregated accounts. The Firm is not affiliated with any broker/dealers and does not execute securities transactions as a principal. Accordingly, the Firm selects unaffiliated third-party broker/dealers to execute all Client transactions as permitted by applicable law. The Firm maintains a list of active/approved trading partners (ie counterparties) with whom the Firm may transact.

The Firm may consider the availability and quality of research products and services provided by a broker in selecting which brokers to use in executing Client orders. Research services may include information or analysis relating to companies, sectors, countries and other services that may assist the Firm in its investment decision. The Firm ordinarily reviews its active broker list on a periodic basis and assesses each broker on a combination of factors including those listed above. Where issues arise or expectations are not met the Firm may meet with the brokers more frequently to review the relationship and the services being provided.

Any brokerage and research services furnished by brokers through which the Firm effects securities transactions may be used by the Firm in advising other Clients and Funds and not necessarily the same investment portfolio. Any such arrangements will be consistent with Section 28(e) of the Securities Exchange Act of 1934, which permits the use of "soft dollars" in certain circumstances. Where research services also assist the Firm in performing non-investment decision making functions (such as accounting, record keeping or administrative services), the Firm will make a reasonable allocation of the cost of the service according to its use and will use brokerage commissions to pay only for the research-related component. Services that assist the Firm solely in its performance of non-research related functions will be paid by the Firm. The Firm does not intend to enter into "soft dollar" arrangements for other purposes, such as defraying Trinity Street's overhead expenses.

### Best Execution

Trinity Street, as a fiduciary to its advisory clients, endeavors to seek best execution for client transactions, seeking to obtain not necessarily the lowest commission cost but the best overall qualitative execution. When determining best execution on a particular trade, Trinity Street's considerations include:

- Quality of execution
- Availability and quality of research products and services
- The nature and character of the relevant markets on which the transactions will be executed
- The broker's execution experience, integrity and credit-worthiness
- Operational efficiency

## **Trade Allocation**

Trinity Street endeavours to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among its Clients. When the Firm determines that it would be appropriate and feasible for more than one Client to participate in an investment opportunity, the Firm may place combined orders for all such Clients simultaneously and, if the order is not filled at the same price, the Firm will average the prices paid over a particular trading day or such longer period consistent with the accumulation or disposition of a particular position. Similarly, if an order is placed on behalf of more than one Client and the order cannot be fully executed under prevailing market conditions, the Firm may allocate the trade execution among different Clients on a basis that the Firm deems equitable. This is normally achieved by pro-rating actual trade executions among Clients in accordance with the total number of shares outstanding on each Client's order and rounding such executions to reflect minimum trading sizes, minimum allocations necessary to avoid undue costs being realized by clients (such as transaction and foreign exchange costs triggered by certain allocations having a de minimus value) and efficiencies inherent in trade reporting. Situations may occur where a Client could be disadvantaged because they participated in the aggregate order.

The Firm anticipates that the substantial majority of its trade executions will be allocated between Clients in a pro-rata manner. Where the Firm determines that this pro rata allocation methodology may not be in a Client's best interest or the best interests of all Clients, the Firm may, in its reasonable discretion, make an adjustment to the pro-rata allocation.

## **Block Trading of Client Orders**

Trinity Street believes that blocking (aggregation) of client orders is prudent and necessary in order to fulfil Trinity Street's fiduciary duty to obtain the most favourable terms for each client. When aggregating client orders, management's considerations include but are not limited to the following:

- No advisory account is favoured over any other account. Clients participating in an aggregated order shall receive an average share price with other transaction costs shared on a pro-rata basis.
- The Firm will not aggregate transactions unless block trading is consistent with the Firm's duty to seek best execution and the terms of the Firm's investment management agreement with each client for which trades are being aggregated.
- Before placing a blocked trade, the Portfolio Manager will specify the participating client accounts and the intended allocation among those clients.
- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the terms of the order; if the order is partially filled, it will be allocated on a pro-rata basis within the same terms of the order;
- The Firm's books and records will separately reflect the orders for each client account that are aggregated, as well as the securities bought and sold for and held by that account
- The Firm receives no additional compensation of any kind as a result of the proposed aggregation; however Trinity Street may receive soft dollar credits in some executions.

## **Item 13 - Review of Accounts**

### **Account Reviews**

Account reviews are performed daily by a Portfolio Manager or a designee. Reviews are triggered by various factors including portfolio model changes, changes in client investment objectives, account deposits and withdrawals, volatile markets or notification from the operations team that the price target for individual securities has been reached. Among other things, reviewers evaluate the composition of the portfolios relative to the benchmark and review numerous risk statistics on both an ex-post and ex-ante basis. Trinity Street also compiles an internal daily information package which includes a matrix of holdings and values per account across strategies and Factset attribution analysis to conduct holdings based and returns based analysis at the security level.

Trinity Street also performs reconciliations of its records of the securities and cash within its client's accounts against the records of the custodians who actually hold the securities and cash. These reconciliations are performed by Trinity Street's operations personnel. At a minimum, positions and cash are reconciled on a monthly basis. To the extent any discrepancies are identified through the performance of these reconciliations, our operations personnel will work with both our internal team and the custodian to resolve any such discrepancies. The statements and records of the custodian are the official books and records for the account.

### **Client Reporting**

Trinity Street will normally provide clients with reports not less frequently than quarterly. Client reports include a portfolio appraisal, reconciliation against custodian, and performance returns. Additional or different information will be provided to clients as agreed by Trinity Street and the client. We urge clients to carefully review these reports and compare them to the statements that they receive from their custodian. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

In addition to reports tailored to clients, Trinity Street issues a variety of general circulation materials for clients and consultants about its investments and investment processes.

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

### **Relationships with Consultants**

Many of our clients and prospective clients retain investment consultants to advise them on the selection and review of investment managers. Trinity Street may have certain accounts that were introduced to Trinity Street through consultants. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend Trinity Street's investment advisory services, or otherwise place Trinity Street into searches or other selection processes for a particular client.

Trinity Street has extensive dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships. Specifically, we provide consultants with information on portfolios we manage for our mutual clients, pursuant to our clients' directions. Trinity Street also provides information on our investment styles to consultants, who use that information in connection with searches they conduct for their clients. Trinity Street may also respond to "Requests for Proposals" from prospective clients in connection with those searches.

### **Compensation for Client Referrals**

Fees are paid to some professional firms, known as solicitors, for their client referrals. The following firms provide client referrals to Trinity Street in return for quarterly finder's fees based on accounts under management:

- HGK Asset Management

Centenium Advisors are no longer solicitors for the firm, however they continue to receive finder's fees for existing introductions.

The SEC has adopted strict rules for advisors when accepting third party referrals. We follow written policies and procedures to ensure compliance with these rules, including those governing compensation and written client disclosure. If a client is referred to us by a solicitor, we pay a referral fee as allowed under SEC rules. The referral fee is paid entirely from our investment advisory fee; the client does not pay an added fee. The solicitor must tell the client about his relationship with Trinity Street at the time of solicitation and deliver a copy of this ADV and a written disclosure explaining the terms of the arrangement.

### **Soft Dollars**

The SEC has defined soft dollar practices as "arrangements under which products or services other than execution of securities transactions are obtained by an advisor from or through a broker-dealer in exchange for the direction by the advisor of client brokerage transactions to the broker-dealer." Advisors may use commissions to purchase brokerage and research services without violating their fiduciary duty to obtain best execution for clients; however the advisor must determine in good faith that commissions are reasonable in relation to the value of the brokerage and research services obtained. Any such arrangements will be consistent with Section 28(e) of the Securities Exchange Act of 1934.

Brokerage and research services allowed under soft dollar arrangements include: (a) furnishing advice about the value of securities, the advisability of buying or selling securities, and the availability of securities or buyers or sellers of securities; (b) furnishing analyses and reports about issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (c) effecting securities transactions and performing functions such as clearance, settlement, and custody.

It is Trinity Street's policy to allow soft dollar arrangements for certain research and trade execution services. Examples of research services for which Trinity Street might use client commissions include market publications and commentaries, research and data reports, economic forecasts, partial research related Bloomberg, and Factset costs, among others. Under certain circumstances, Trinity Street may pay a broker-dealer a commission rate that is higher than the commission rate charged by another qualified broker-dealer. In all such cases, we determine in good faith that the commission is reasonable for the value of brokerage and research services received. The Firm's Chief Compliance Officer reviews all soft dollar arrangements.

Soft dollar benefits are not limited to those clients who may have contributed to the commission sharing arrangement through broker commission

## **Item 15 – Custody**

Trinity Street does not act as a custodian over the assets in the accounts we manage for our clients. Clients must make their own arrangements for custody of securities in their accounts. Such custodians may be broker/dealers, banks, trust companies, or other qualified institutions. The qualified custodian is required to provide the client with at least quarterly account statements relating to the assets held within the account managed by Trinity Street. Each client should carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in the client's account and all account activity over the relevant period. Any discrepancies identified by a client should be immediately reported to Trinity Street and the qualified custodian.

In addition to the account statements provided by qualified custodians to our clients, Trinity Street also provides account appraisal reporting to clients on a monthly or quarterly basis. As such, we encourage clients to compare the statements provided to them by Trinity Street against those provided to them by the qualified custodians who hold the assets of their accounts, and to report any questions, concerns, or discrepancies to both Trinity Street and the qualified custodian promptly. Such questions, concerns, or discrepancies may be communicated to Trinity Street by contacting us at the contact information listed on the cover sheet.

Our reporting may vary from custodial statements based on accounting methods, reporting dates, and/or valuation methodologies of certain securities. However, custodian statements reflect the official books and records for the accounts we manage.

## **Item 16 – Investment Discretion**

At the outset of the advisory relationship, Trinity Street requires clients to execute and deliver limited powers of attorney authorizing the Firm to act on behalf of the client, in such form as may be required by various brokerage firms, banks etc. Trinity Street obtains discretionary investment authority from the client through the execution of an 'investment management agreement' at the outset of the advisory relationship. Discretion is exercised in a manner consistent with stated investment objectives for the particular client account pursuant to the fiduciary duty and standard of care which we must discharge.

Investment guidelines and restrictions must be provided to Trinity Street in writing. Throughout the portfolio management process, Trinity Street observes the investment policies and limitations imposed by each client.

### **Class Action Suits and Other Legal Actions**

Trinity Street is not obligated to, and typically does not, take any legal action with regard to class action suits relating to securities purchased by Trinity Street for its clients. Trinity Street provides instructions to custodians and brokers regarding tender offers and rights offerings for securities in client accounts. However, Trinity Street does not provide legal advice to clients and, accordingly, does not determine whether a client should join, opt out of or otherwise submit a claim with respect to any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the client. Trinity Street generally does not have authority to submit claims or elections on behalf of clients in legal proceedings. Should a client, however, wish to retain legal counsel and/or take action regarding any class action suit proceeding, Trinity Street will attempt to provide the client or the client's legal counsel with information that may be needed upon the client's reasonable request.



## Item 17 - Voting Considerations

The Firm considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its Clients to recognize the fiduciary responsibility it assumes in acting as investment adviser. The Firm also recognizes the need to exercise its proxy voting obligations with a view of enhancing its Clients' long term investment values. The Firm believes that both are generally compatible with good corporate governance as this generally provides the best operating environment for each underlying portfolio company to cope with competitive commercial pressures. To help achieve its objectives, it is Trinity Street's policy, subject to the considerations described below, to use its best efforts to vote proxies arising on all shares held on behalf of its Clients.

The Firm has a commitment to evaluate and vote proxy issues in the best interests of its clients. The Firm will generally vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, (collectively, "proxies") in accordance with the following guidelines:

- The Firm will generally support a current management initiative if our view of the Issuer's management is favorable;
- The Firm will generally vote to change the management structure of an Issuer if it would increase shareholder value;
- The Firm will generally vote against management if there is a clear conflict between the Issuer's management and shareholder interest;
- In some cases, even if the Firm supports an Issuer's management, there may be some corporate governance issues that the Firm believes should be subject to shareholder approval; and
- The Firm may abstain from voting proxies when it is determined that the cost of voting the proxy exceeds the expected benefit to our clients.

Generally, all proxies are evaluated and voted on a case-by-case basis, considering each of the relevant factors set forth above. The Firm, in all cases, will vote for any proposals that we believe will be most advantageous to our clients.

If an independent third party or a committee is utilised in making a decision to vote on a proxy, the Firm will submit the proxy to such third party or committee for a decision. The Firm will execute the proxy in accordance with such third party or committee's decision and update Trinity Street's proxy recordkeeping.

There may be times in which conflicts may arise between the interest of the client and the interest of the Firm. The Firm will always strive to address such conflicts in the best interests of the client. If a perceived material conflict of interest arises in connection with a proxy vote, Trinity Street may resolve such perceived material conflicts of interest as follows:

- The Firm may delegate the voting decision for such proxy proposal to an independent third party;
- The Firm may delegate the voting decision to an independent committee of partners, members, directors or other representatives of the client, as applicable;

- The Firm may inform the investors or account of the conflict of interest and obtain consent to (majority consent, in the case of a fund) vote the proxy as recommended by the Firm; or
- The Firm may obtain approval of the decision from Trinity Street's Chief Compliance Officer

The Firm does not take positions outside of the portfolios it manages and therefore does not anticipate a situation where there would be a conflict between maximizing long-term investment returns for Clients and the interests of the Firm or its Supervised Persons. If such a situation should arise, the senior management will independently review and evaluate the proxy proposal.

## **Item 18 – Financial Information**

Trinity Street has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## Privacy Notice (June 2015)

Trinity Street Asset Management LLP is committed to maintaining the confidentiality, integrity, and security of our current and prospective clients' non-public personal information and adheres to high standards in order to safeguard such information. As part of this commitment, we have adopted the following privacy policy concerning the collection, disclosure, maintenance and disposal of our clients' non-public personal information.

### Collection of Information

As your investment adviser, Trinity Street collects non-public information from you such as:

- Information we receive from you or in applications or other forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, date of birth, annual income, net worth, and investment history.
- Information about your transactions with us or others, including but not limited to your account number and balance, payment history, parties to transactions, cost basis information, and other financial information.

### Disclosure of Information

We will not disclose non-public personal information about you to anyone, except as necessary to carry out transactions you have requested or authorized in connection with our provision of services to you, as required by law, or with your express consent. We may, however, disclose information about you to the following types of non-affiliated third parties:

- authorized securities brokers, financial institutions or custodians;
- persons acting in a fiduciary or representative capacity on your behalf;
- attorneys, accountants, and consultants;
- mailing houses or similar non-affiliated third-parties who assist us in administering client accounts;
- law enforcement agencies or computer security providers for the purpose of protecting against fraud and unauthorized transactions or in order to maintain the confidentiality of our records;
- Government agencies, self-regulatory organizations, industry associations and similar bodies in order to fulfill requests, investigations, legal and regulatory requirements.