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Form ADV Part 2A

Brochure

Item 1. Cover Page

This brochure contains information about the qualifications and business practices of Investec Asset Management North America, Inc. (“**IAM NA**”). If you have any questions about this Brochure, please contact IAM NA’s Compliance Team on 1-917-206-5179 or email IAMComplianceUS@investecmail.com

The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

IAM NA is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training. Additional information about IAM NA can be found on the SEC’s website at www.adviserinfo.sec.gov.

This brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a confidential offering memorandum, related subscription materials or other governing legal documentation.

Item 2. Summary of Material Changes

Since the last update of this brochure on June 28, 2014, there have been no material changes. Please find a summary of changes below.

- The *Investec Global Natural Resources Fund, LLC* was closed in September 2014
- Updates to Item 8 reflecting changes to the method of analysis, investment strategies and risk
- Updates to Item 11 reflecting new language describing the code of ethics, conflicts of interests and personal account dealing
- Updates to Item 12 reflecting new language related to the soft dollar/ commission sharing arrangement
- James Hand has been hired as a new Co- Chief Investment Officer
- New Chief Compliance Officer and Deputy Chief Compliance Officer have been named for IAM NA

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Item 4. Advisory Business

A. The Firm

IAM NA is a Delaware corporation organized in 2013, registered with the SEC and a wholly-owned subsidiary of Investec Asset Management Limited ("**IAML**"). IAML is a limited company organized under the laws of England and Wales and an affiliated investment adviser registered with the Financial Conduct Authority as well as with the SEC. IAML, founded in 1991 is an indirect majority-owned subsidiary of Investec Plc, a company formed under the laws of England and Wales ("**Investec Plc**"). Investec Plc is listed on the London Stock Exchange and the Johannesburg Stock Exchange. Investec Plc controls 85% of the voting stock of IAML with the remaining 15% owned by a Mauritius trust not under control of Investec Plc.

Investec Plc is affiliated with Investec Limited ("**Investec Ltd**"), a company incorporated in South Africa and listed on the Johannesburg Stock Exchange and the Namibian Stock Exchange, as well as the Botswana Stock Exchange as secondary listings. Investec Plc and Investec Ltd operate under a Sharing Agreement and form the Investec Group (the "**Investec Group**"). The Investec Group was founded in South Africa in 1974 and consists of diversified global financial institutions offering specialist banking, asset management and wealth and investment services in the United Kingdom, South Africa and Australia, as well as certain other jurisdictions. The Investec Group has implemented a Dual Listed Companies structure with linked companies listed in London (Investec Plc) and Johannesburg (Investec Ltd). Investec Plc and Investec Ltd are separate legal entities and listings, but are bound together by contractual agreements and legal mechanisms.

Investec Ltd, a limited company organized under the laws of South Africa owns 85% of Investec Asset Management Holdings (Pty) Ltd ("**IAM Holding Pty**"). IAM Holding Pty's principal office is located in Cape Town, South Africa, and its subsidiaries, including Investec Asset Management Pty ("**IAM Pty**"), are regulated by the South African Financial Services Board ("**SA FSB**").

IAM NA's investment management business originated in 2014 through an asset purchase agreement entered into between IAM NA and its predecessor, Investec Asset Management US Ltd ("**IAM US**"), in which IAM NA succeeded to the business and SEC registration of IAM US. IAM NA's principal office and place of business is in New York, NY.

IAM NA entered into a dual-hatting agreement ("**Dual-Hatting Agreement**") with IAML and IAM Pty ("**Dual-Hatting Affiliates**"). Pursuant to this agreement, certain employees of IAML and IAM Pty ("**Dual-Hatted Employees**") are permitted to provide discretionary investment advice and portfolio management services to IAM NA's clients. These employees are deemed IAM NA's "associated persons" as defined under the Investment Advisers Act of 1940 ("**Advisers Act**") and, in this capacity, are subject to the oversight of IAM NA and its Chief Compliance Officer ("**CCO**"). The Dual-Hatting Agreement is based on no-action letters of the staff of the SEC that permit an SEC-registered investment adviser to rely on and use the resources of advisory affiliates, subject to the supervision of the SEC-registered investment adviser. In connection with its provision of services to IAM NA, IAML and IAM Pty have appointed IAM NA as its agent for service of process within the jurisdiction of the United States.

For the purpose of the brochure, IAML, IAML's direct or indirect subsidiaries and IAM Pty are each deemed to be an "**IAM NA Affiliate**."

IAM NA also provides certain marketing, sales and client services to distributors and non-U.S. investors on

behalf of IAML and other IAM NA Affiliates for their non-U.S. pooled investment vehicles.

As of March 31, 2015, IAM NA had US \$ 2,934,158,878 in regulatory assets under management calculated on a gross basis, all managed on a discretionary basis. IAM NA does not manage assets on a non-discretionary basis.

B. The Services

IAM NA provides discretionary investment management services to public and corporate pension plans, other institutional investors and the Funds under the following investment strategies ("**Strategies**"):

- 4Factor – International Dynamic Equity
- 4Factor – Global Dynamic Equity
- 4Factor – Emerging Markets Equity
- 4Factor – Global Core Equity
- 4Factor – Asia (ex Japan) Equity
- 4Factor – European Equity
- Frontier and Emerging Markets – Pan Africa Equity
- Emerging Market Fixed Income – Emerging Markets Debt - Local Currency Dynamic
- Emerging Market Fixed Income – Emerging Markets Debt - Blended Debt
- Multi-Asset – Global Unconstrained Fixed Income
- Quality - Global Franchise

For these Strategies IAM NA relies on the resources and capabilities of the Dual-Hatted Employees to supply investment management services pursuant to the Dual-Hatting Agreement. In the future, IAM NA may provide portfolio management services utilizing other investment strategies through the Dual-Hatting Agreement.

IAM NA manages separate accounts ("**Separate Accounts**") for institutional investors. IAM NA may tailor its advisory services to these investors as they may impose restrictions or limitations on how IAM NA manages their accounts according to its investment strategies. The restrictions or limitations generally appear either in the client's investment management agreement ("**IMA**") or in the investment guidelines adopted for the account.

In addition, IAM NA is the investment adviser and managing member for the following U.S. private funds (each, a "**Fund**," and together, the "**Funds**"). For the purpose of the brochure, the Funds and Separate Accounts are deemed "**Clients**":

- (i) **Investec Global Select LLC** is a Delaware multi-series limited liability company. Each series is considered a separate and distinct designated "series" for purposes of Section 18-215 of the Delaware Limited Liability Company Act with each Fund comprising a separate and distinct portfolio of investments. IAM NA currently advises the following Funds:
 - a. **Investec Emerging Markets Blended Debt Fund:** The Fund aims to provide income and generate capital gains over the long-term, primarily through investment in public sector, sovereign and corporate bonds issued by emerging market borrowers or borrowers that derive a predominant part of their economic activity from emerging market countries.

- b. ***Global Unconstrained Fixed Income Fund***: The Fund's primary objective is the generation of a high level of current income by means of investment in high yielding fixed and floating rate securities of varying maturities denominated in a spread of the world's major and minor traded currencies.
 - c. ***Investec International Dynamic Equity Fund***: The Fund aims to achieve long-term capital growth primarily through investment in the equity securities of companies in all economic sectors in any part of the world except the United States.
 - d. ***Investec Emerging Markets Equity Fund***: The Fund aims to achieve long-term capital growth primarily through investment in equities or equity-related securities of companies established and/or listed on an exchange in emerging markets, or companies which are established and/or listed on exchanges outside emerging markets, but which carry out a significant proportion of their economic activity in emerging markets and/or are controlled by entities established and/or listed in emerging markets.
- (ii) IAM NA also serve as the investment advisor and managing member for of the following Funds that are not part of the above mentioned Investec Global Select LLC series :
- a. ***Investec Emerging Markets Local Currency Dynamic Debt Fund LLC***: The Fund's investment objective is to achieve long-term total returns primarily through investment in public sector, sovereign and corporate bonds issued by emerging market borrowers or that derive a predominant part of their economic activity from emerging market countries.
 - b. ***Investec Global Dynamic Equity Fund LLC***: The Fund's investment objective is to achieve long-term capital growth primarily through investment in a focused portfolio of equities issued by companies established in any country.
 - c. ***Investec Institutional Pan Africa Fund LLC***: The Fund's investment objective is to achieve long-term total return by investing primarily in either African securities or securities of companies listed on non-African exchanges that derive a substantial proportion (more than 50%) of their earnings from African countries.

On behalf of its Clients and across its strategies, IAM NA may trade certain swaps, futures and derivatives under the jurisdiction of the Commodity Futures Trading Commission. IAM NA relies on an exemption from commodity pool operator and commodity trading advisor registrations in respect of such trading.

Item 5: Fees and Compensation

Terms used but not defined in this Item 5 have the meanings given to them either in the offering documents for the Funds ("**Fund Documents**") or the IMAs entered into for each Separate Account.

Below is the standard management fee schedule established for the Strategies available to IAM NA's Clients as of the date of the brochure. In general, IAM NA bases its management fees on its standard fee schedule that is in effect at the time the IMA or Fund Documents is entered into, and, therefore, a Client's fee schedule may be different from the applicable standard fee schedule included herein. IAM NA, in its sole discretion, may reduce or waive the management fee for certain Clients and Fund investors. A different fee schedule may apply due to size or for another reason, such as in the case when account has

specialized investment objectives, guidelines and restrictions. Investors do not pay a “double fee”, that is, a fee for a direct investment in a Strategy and also a fee for a Fund investing in such Strategy.

Strategy	Minimum Account Size	Management Fee Schedule
4Factor™ Equities		
International Dynamic Equity Separate Accounts	\$50 million	0.75% for the first \$75 million 0.65% for the next \$75 million 0.60% for the next \$150 million Performance fee possible
International Dynamic Equity Fund	\$10 million	0.85% for the first \$25 million 0.80% for the next \$25 million 0.75% for the next \$50 million 0.70% for the next \$100 million Performance fee possible
Global Dynamic Equity Separate Account	\$50 million	0.75% for the first \$75 million 0.65% for the next \$75 million 0.60% for the next \$150 million Performance fee possible
Global Dynamic Equity Fund	\$10 million	0.85% for the first \$25 million 0.80% for the next \$25 million 0.75% for the next \$50 million 0.70% for the next \$100 million Performance fee possible

Emerging Markets Equity Separate Account	\$100 million	1.00% for the first \$75 million 0.85% for the next \$75 million 0.80% for the next \$150 million Performance fee possible
Emerging Markets Equity Fund	\$10 million	1.10% for the first \$75 million 1.0% for the next \$75 million Performance fee possible
Global Core Equity Separate Account	\$50 million	0.55% for the first \$75 million 0.50% for the next \$75 million 0.45% for the next \$150 million Performance fee possible
Asia (ex Japan) Equity Separate Account	\$200 million	0.65% for the first \$75 million 0.55% for the next \$75 million 0.50% for the next \$150 million Performance fee possible
European Equity Separate Account	\$50 million	0.65% for the first \$75 million 0.55% for the next \$75 million 0.50% for the next \$150 million Performance fee possible
Frontier and Emerging Market		
Pan Africa Equity		
Institutional Pan Africa Fund LLC	\$10 million	1.25% for the first \$25 million 1.00% for the next \$25 million Performance fee possible
Emerging Market Fixed Income		

Emerging Markets Debt – Local Currency Dynamic Separate Account	\$200 million	0.75% for the first \$75 million 0.65% for the next \$75 million 0.60% for the next \$150 million Performance fee possible
Emerging Markets Debt – Local Currency Dynamic Fund	\$10 million	0.85% for the first \$50 million 0.80% for the next \$50 million 0.75% for the next \$100 million Performance fee possible
Emerging Markets Debt – Blended Separate Account	\$100 million	0.70% for the first \$75 million 0.60% for the next \$75 million 0.55% for the next \$150 million Performance fee possible
Emerging Markets Debt – Blended Fund	\$10 million	0.80% for all Performance fee possible
Multi-Asset Fixed Income		
Global Unconstrained Fixed Income Separate Account	\$75 million	0.40% for the first \$75 million 0.30% for the next \$75 million 0.25% for the next \$150 million Performance fee possible
Global Unconstrained Fixed Income Fund	\$10 million	0.35% for the first \$75 million 0.25% for the next \$75 million Performance fee possible
Quality		
Global Franchise Separate Account	\$50 million	0.75% for the first \$75 million 0.65% for the next \$75 million 0.60% for the next \$150 million Performance fee possible

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Preferred minimum investment sizes apply as shown above. In its sole discretion, IAM NA may accept accounts with assets lower than the indicated preferred minimum. In such cases, the fees charged for investment advisory services may be higher than those fees indicated herein. IAM NA may terminate accounts with assets that fall below the minimum indicated.

Each Client or Fund investor pays IAM NA a management fee, as detailed in the specific IMA or Fund Documents (the “**Management Fee**”). Management Fees may be calculated monthly, weekly, daily, by quarter end or at closing and are payable monthly, quarterly or annually in arrears of each Client or Fund investors’ capital account based on the net asset value by the administrator or the custodian and are pro-rated for partial periods. Management Fees may also be time weighted for flows if specified in the applicable IMA or Fund Documents. Management Fees may be paid directly by a Client or Fund investor to IAM NA, or may be withdrawn or re-allocated from the investor’s capital account. IAM NA also may enter into a performance fee arrangement with a Client or Fund investor pursuant to individual negotiations provided that all applicable regulatory requirements are met. Performance fees may be invoiced and are payable on a quarterly or annual basis. As of the date of the brochure, IAM NA receives a performance-based fee for the portfolio management services it provides to certain investors in the Investec Institutional Pan Africa Fund LLC and the Investec Emerging Markets Local Currency Dynamic Debt Fund LLC.

To the extent that a Separate Account or a Fund’s assets are held with its trustee or custodian, the investor should be aware that such trustee or custodian may also charge management or transactional fees with respect to such assets.

Additional Fees and Expenses

In addition to the Management Fees and, in certain cases, performance fees listed above, Clients and Fund investors may also incur additional fees directly or indirectly such as:

- custody fees;
- administrator fees;
- transaction fees and other related costs;
- brokerage commissions;
- transfer fees, including transfer agent fees, and other related transaction costs;
- clearing house fees;
- interest expenses relating to particular transactions;
- certain professional services fees, including external legal, accounting, tax and valuation service fees;
- certain regulatory and compliance expenses;
- settlement expenses or other similar costs associated with securities transactions settlement; which may include, without limitation, overdraft expenses;
- collateral costs;
- stock lending fees;

- taxes (including stamp, duty and transfer taxes) and
- any other fees or expenses that are documented in the Fund Documentation or the IMA and that, in IAM NA's determination, are reasonably incurred in connection with the business or maintenance of the relevant Fund or Separate Account

Clients will pay brokerage commissions, mark-ups, mark-downs, other commission equivalents and/or transaction costs related to transactions effected for their accounts to executing broker-dealers. As described in Item 12, *Brokerage Practices*, the Dealing Desk (as defined below) will effect these transactions subject to its obligation to seek best overall execution. The different types of execution charges include commissions, commission equivalents, mark-ups, mark-downs and spreads.

IAM NA may be permitted to invest or recommend investment in investment vehicles managed by IAM NA Affiliates. Typically, the fees and expenses that the Client has to bear for such investments are embedded in the Management Fees and set forth in the IMAs and Fund Documents.

Certain Strategies involve investing in emerging markets and frontier markets. In these markets, brokerage practices, execution costs and transaction costs differ from customary practices in developed markets, and transaction costs are generally higher.

Compensation for Client Services and Sales

IAM NA has properly licensed employees who provide marketing, sales and client services for the Funds and Separate Accounts mentioned in Item 4, *Advisory Business*, but also for certain non-U.S. pooled investment vehicles on behalf of IAM NA to U.S. investors. None of IAM NA's employees engaged in this activity is directly compensated based upon the sales of the securities and other investment products.

Certain employees at IAM NA provide marketing, sales and client services on behalf of its affiliates for their non-U.S. pooled investment vehicles ranges by engaging with U.S. institutional distribution channels and/or non-U.S. investors. Some employees may receive remuneration linked to the sale of these funds. IAM NA is compensated for these and other expenses incurred in performing such activities by affiliated entities.

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

IAM NA may, from time to time, enter into arrangements with Clients which provide for performance-based compensation based on portfolio returns above a specific hurdle rate. Performance-based compensation may be in lieu of, or in addition to, IAM NA's usual Management Fee compensation. Such arrangements may be negotiated and will in all cases be in compliance with Rule 205-3 under the Advisers Act. As of the date of the brochure, IAM NA receives a performance-based fee for the portfolio management services it provides to Investec Institutional Pan Africa Fund LLC and the Investec Emerging Markets Local Currency Dynamic Debt Fund LLC.

Clients should be aware that a performance-based fee may be deemed to create a conflict of interest for an adviser, as there could be an incentive for such adviser to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. In addition, if some Clients pay a performance-based fee while others do not, or if different Clients pay different levels of asset or performance-based fees to IAM NA, this may give rise to potential conflicts of interest. For example, IAM NA has an incentive to favor those accounts for which IAM NA receives a performance-based fee because

IAM NA will receive a higher fee if their performance exceeds the applicable benchmark. Similarly, IAM NA has an incentive to favor those accounts that pay IAM NA a greater Management Fee over those accounts that pay IAM NA a lesser Management Fee because IAM NA will receive greater compensation by doing so.

IAM NA may manage accounts with Management Fees alongside other accounts with performance-based fees. There are potential conflicts of interest that arise due to the side-by-side management of set Management Fee accounts with performance-based fee accounts, as there may be an incentive to favor the performance fee accounts over the fixed Management Fee accounts in the allocation of investment opportunities. IAM NA has implemented various policies and procedures designed to address this conflict and ensure that all Clients are treated fairly and equitably irrespective of their fee structure. Please see Item 12, *Brokerage Practices* for more information about IAM NA's aggregation, allocation and best execution policies.

Item 7. Types of Clients

IAM NA provides investment advisory services to institutions such as pension plans, trusts, state and municipal government entities and domestic pooled investment vehicles. IAM NA requires that each investor in a Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended (the "**Securities Act**") and a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

Please refer to the fee schedule in Item 5, *Fees and Compensation* for information related to the minimum account size.

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

IAM NA investments are directed by specific processes developed by each of IAM NA's specialist investment teams. In addition to research analysts, each team has portfolio managers who have authority to manage Client portfolios within pre-agreed risk parameters. Within this structure, the process used to allocate assets varies by strategy and investment team. With the assistance of the Head of Investment Risk, the Co-Chief Investment Officers oversee each strategy.

Methods of Analysis

IAM NA offers a range of equity, emerging market fixed income, frontier, quality and multi-asset strategies. Generally, IAM NA's investment teams use standard methods of analysis. IAM NA may analyze potential investments internally, but IAM NA also incorporates third party research. IAM NA will rely on third parties for the provision of data used by the proprietary screening models. IAM NA's investment teams manage the Strategies. Each investment team has its own specific investment philosophy which gives the investment team a unified view on investing. Each investment team applies its philosophy to the Strategy it manages through a multi-step investment process. Each investment team has clear accountability for its Strategy and reporting lines that encourage active participation and implementation of ideas. IAM NA's investment teams are supported by a centralized infrastructure.

4Factor Equities

The 4Factor Team (the “**4Factor Team**”) believes in building portfolios by focusing on individual stock opportunities and recognizes the need for a disciplined framework to achieve long-term investment success. To that end, the analytics team within the 4Factor Team has developed a rigorous and repeatable research process. It begins with a weekly screening of all global stocks with a market capitalization greater than US\$1 billion which are then ranked based on the 4Factor investment criteria. This initial screening has the goal of providing IAM NA’s investment specialists with a short-list of potentially attractive investment opportunities. The 4Factor Team then assesses the investment case for each of these proposed securities to identify the highest conviction ideas for inclusion in the various 4Factor portfolios.

The 4Factor Team uses a proprietary screening tool to systematically score and rank all the companies in the investment universe based on four key investment criteria which are believed to combine the best of traditional and behavioral finance theory: *Strategy*, *Value*, *Earnings* and *Technicals*. The screening tool is objective in its analysis, providing the 4Factor Team with a league table of investment ideas ranked according to how well they match the 4Factor investment philosophy. Data is collected on all global stocks with an average daily trading volume of greater than \$10 million from a variety of best in class external sources and processed automatically on a weekly basis. The 4Factor Team uses a wide variety of data sources including company reports and accounts, “best in class” data sources, sell-side and consultant research and conferences in order to facilitate the research process. The screening tool grades each factor from 1 to 4. The grades are then summed up to give these stocks a score between 4 and 16. The highest scoring stocks in this screen provide the 4Factor Team with a ‘short-list’ of potentially attractive ideas, which it then evaluates in order to incorporate the ‘best ideas’ into the portfolio.

The purpose of the initial screening is therefore to narrow the opportunity set in order to allow the investment specialists to focus their detailed fundamental analysis on the most attractive potential investments. Since inception of the process in 2000 the 4Factor Team has researched and improved the screening framework to ensure it captures all the component factors that the 4Factor Team believes impact share prices over time and that retain efficacy in a changing global market.

The next stage involves fundamental research around a company’s business drivers and competitive position. It is an in-depth analysis of the key issues that will drive the stock and the construction of an investment case. The culmination of this work is a research assessment report with an action recommendation presented to the team for close examination. At this stage the 4Factor Team is looking to maximize the conviction that the stocks in which we propose to invest do indeed correspond to our core philosophy and are attractive investments. The 4Factor Team remains focused on bottom-up analysis at all times. All members of the 4Factor Team perform research or have research support responsibilities. The global analysts work with the portfolio manager in the decision-making process providing research support. The final decision on overall portfolio construction rests with the portfolio managers. Appropriate risk constraints are applied and the portfolio is monitored and managed to ensure portfolio integrity.

Frontier & Emerging Markets/Pan Africa Equity

The Pan African listed equity investment strategies approach investing with a private equity mind-set by searching for quality businesses, with good management trading at attractive valuations. This is done by focusing on thorough bottom up on the ground fundamental research, with a long term orientation to value creation. This approach is premised on the belief that markets are inefficient as a result of a

combination of behavioral biases and market structure. This inefficiency is exaggerated in the nascent African capital markets because of poor corporate disclosure, limited research coverage and therefore poor price discovery.

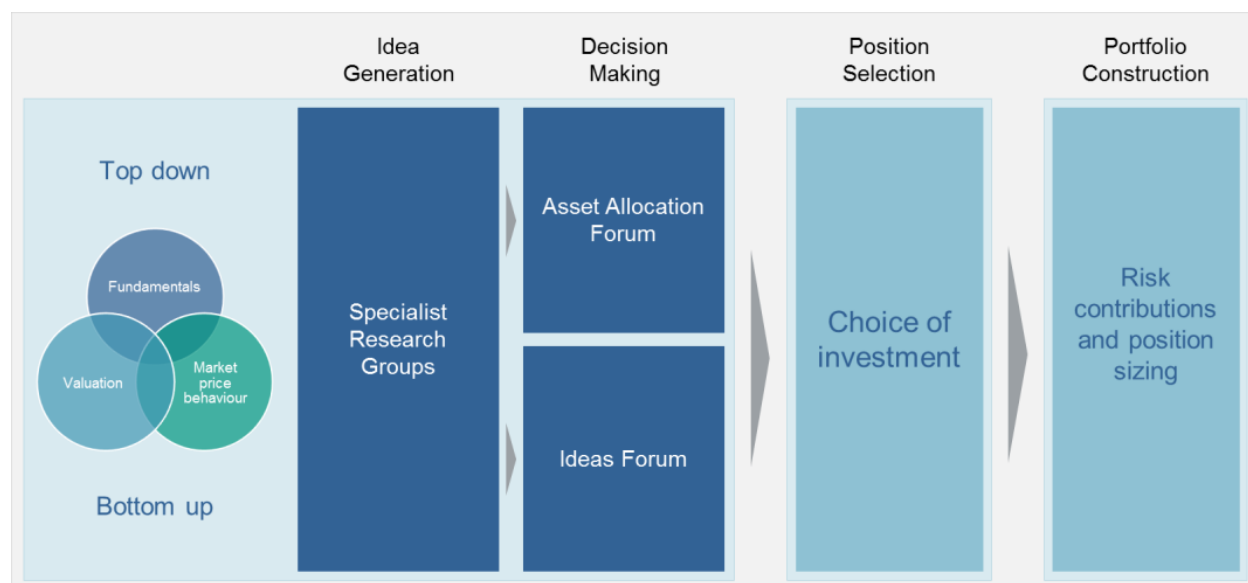
There are 19 major bourses across Africa with approximately 1,500 listed stocks. The initial filter is aimed at eliminating countries without sufficient political stability and an economic policy structure in place geared towards economic growth. The next screening process excludes stocks which IAM NA does not hold for reasons of liquidity and/or foreign ownership restrictions. The combined process reduces the investable universe to about 200-250 stocks.

The purpose of the research and analysis is to understand the nature and quality of a business, its operating prospects, its valuation and ultimately the overall investment thesis. The starting point is on understanding the industry: its structure, drivers, growth prospects and general attractiveness. This is followed by detailed company analysis and modelling. The focus here is on the drivers of the quality of a business and its valuation. A significant component of the research process requires on the ground interaction with the companies, their management teams, competitors, suppliers and regulators.

The output on all the stock research is contained in the Africa Dashboard. This is an important tool in the portfolio construction process. As it allows the portfolio managers a clear view of the absolute and relative view on stocks. The ultimate portfolio construction decision rests with the portfolio managers. Appropriate risk management techniques are employed in the management of the funds. The key risks we look to manage and mitigate are: currency, macroeconomic and stock specific.

Multi-Asset Fixed Income/Global Unconstrained Fixed Income

IAM's Global Unconstrained Fixed Income Strategy is a key component of IAM's Multi-Strategy Fixed Income range and IAM's overall Multi-Asset capability. The investment process is multi-layered, robust and repeatable, and can be summarized in the following diagram:



The investment team responsible for the management of the Global Unconstrained Fixed Income (“**Fixed Income Team**”) sits within the Multi-Asset capability of IAM and can draw from the broader fixed income related resource across IAM. Central to the management of this strategy is the belief that markets are

driven by three “Compelling Forces” - *Fundamentals*, *Valuation* and *Market Price Behavior*. The Fixed Income Team uses a framework that appraises investments by these Compelling Forces at the heart of all of analysis. The Fixed Income Team’s active management approach invests in a broad opportunity set of Growth, Defensive and Uncorrelated fixed income related investments. It follows a bottom-up biased investment process with four key stages: idea generation, decision making, position selection and portfolio construction. Specialist ideas relating to Developed Market FX and Bonds, Emerging Market FX and Bonds, and Corporate Bonds (Investment Grade and High Yield) are all eligible for consideration in this strategy. The overall opportunity set, therefore, covers over 80 countries, 35 currencies and approximately 1500 corporates.

The method for generating ideas for Developed Market FX and Bonds and Emerging Market FX and Bonds combines quantitative and qualitative analysis. A structured approach is used to unlock a large selection of investment opportunities. Quantitative scorecards help assess the opportunity set against the Compelling Forces framework, with the insight and experience of specialists used to assess and analyze this information in order to identify attractive investments. Corporate bond selection is initially directed by preferences for sectors, ratings and geographies, and then involves screening for value, fundamental due diligence to identify business, financial and issue risk.

This Strategy benefits from the asset allocation perspectives that originate from a macro-focused research group within the Multi-Asset team, which aggregates, debates and considers information related to the overall macro environment. The focal point of this group’s analysis is a monthly meeting, which involves cross-firm participation, and directs views on inflation, growth and interest rate environments across developed and emerging market economies, as well as on specific macroeconomic themes. The *Asset Allocation Forum* meets monthly and involves full team participation to determine the overall portfolio risk tolerance and the preferences between various Growth, Defensive and Uncorrelated assets. The work of the macro research group is an important contributor to the *Asset Allocation Forum*. Other information that is relevant for the *Asset Allocation Forum* include proprietary strategic and tactical indicators, economic data, market environment risk measures, sentiment indicators, and the views of senior members of the Multi-Asset team. It also directs the overall total portfolio risk preferences, as well as the balance between Growth, Defensive and Uncorrelated assets.

The *Ideas Forum*, which meets weekly and involves full team participation, provides robust cross asset challenge and debate for new investment proposals as well as for existing positions from the Specialist Research Groups. New investment proposals are required to have been assessed using the *Compelling Forces* framework, and provide detail on review levels, take profit levels and risks to the thesis. Existing positions are reviewed by assessing whether the original thesis still holds and analyzing the performance of the position over different time periods. For new proposals, a decision will then be made as to whether to accept, reject or suggest further analysis. This decision resides with the co-portfolio managers. For existing positions, a decision will be made as to whether to retain, completely exit or to review the original thesis. The portfolio is ultimately constructed with a clear understanding of the contribution of each position to overall risk and return.

Emerging Market Fixed Income

The Global Emerging Markets Fixed Income Team (the “**EM Fixed Income Team**”) has developed a robust process which consists of three key steps that combine top-down and bottom-up factors. Those factors are both expected to make contributions to outperformance over the long term. The top-down allocation is the first step. It not only determines the general outlook and identifies the different themes for

emerging markets, but also determines the relative value and attractiveness of the four component parts of the blended Strategy (local currency debt, currencies, hard currency debt and hard currency corporate debt). These themes enable to actively allocate between the asset classes with the goal to optimize returns on the portfolio. The bottom-up allocation is the second step. This process consists of thorough country-level economic and political analysis to determine what IAM NA believes is the best relative and outright trade ideas at a country level. In the third step, these bottom-up ideas are used to achieve the top-down positioning thorough a structured portfolio construction process which aims to manage risk, maintain diversification and reduce the costs of trading and taxes. The EM Fixed Income Team uses a score card approach at both the top-down and bottom-up levels of this process. At the top-down level the scorecard aids the overall risk bias and helps to determine how best to allocate risk between the four asset classes. At the bottom-up level the scorecards create a country ranking within each separate asset class. The scorecards reflect the *Compelling Forces* framework and serve to prompt ideas, maintain a strong sell discipline and record and monitor the effectiveness of the investment process. Each scorecard is made up of a mix of quantitative and qualitative factors. The scorecards are updated and debated by the EM Fixed Income Team weekly; ultimately, however, judgment is applied to determine the final position.

Quality /Global Franchise

The Global Franchise Strategy is managed by the Quality investment team (the “**Quality Team**”) which follows a rigorous and repeatable approach. The approach is comprised of three stages: focused universe creation and idea generation, fundamental research and analysis and portfolio construction

The Quality Team uses various databases (primarily FactSet) to search and rank companies globally according to various financial characteristics that may be associated with a strong business franchise. The Quality Team uses this screening process, along with other sources of ideas such as industry research and competitor analysis, to identify potential franchise companies that it might not otherwise discover. Their proprietary stock selection tools rank companies globally according to what the Quality Team believes are stringent financial and quality criteria.

Once a new investment idea has been identified the Quality Team analyses each company through a common research framework that focuses on the Business Model (e.g., industry attractiveness, competitive advantage, future growth potential), Financial Model (cash flow conversion, leverage), Capital Allocation (returns on capital, management track record) and Valuation (primarily based around free cash flow generation). The Quality Team spends a considerable amount of time focusing on understanding each company and the source if its competitive advantage, believing a strong competitive advantage is the only way for a company to consistently compound shareholder value over long term time periods at above average rates of return. Most of the added value for the Strategy is derived from this bottom-up, fundamental analysis of individual stocks. The majority of research is conducted internally by the Quality Team, but it also draws on additional information from external resources, including sell-side analysts/brokerage houses and independent industry specialists, such as rating agencies and consultants, to enable IAM NA to reach conclusions. Given the investment philosophy, however, the importance and impact of research is heavily skewed towards proprietary sources. The Quality Team believes that any excess returns generated come from focusing all their efforts on constructing a portfolio of quality businesses, which are reasonably valued relative to the assessment of their fair value.

Frequently, the Quality Team will monitor these companies for a long time, but only buy when the valuation becomes attractive. Once a stock is added to the portfolio, it is typically held over a long-term

time horizon of five to seven years resulting in low turnover. The Quality Team manages a concentrated portfolio, believing that optimum performance outcomes will be realized by managing a portfolio focused around their very best ideas. Portfolio weightings are determined by quality, growth and value characteristics of each stock relative to the characteristics of the stocks already held within the portfolio.

Investment Strategies

The following is a brief description of the underlying Strategies within each of the investment teams outlining the investment policies associated with the applicable Strategy. Clients and Fund investors should be aware that there are a number of risks relevant to a Strategy and IAM NA has listed a summary of the risks associated with the Strategies below in a section entitled “*Summary of Risk Factors.*”

4Factor International Dynamic Equity

The Strategy aims to achieve long-term capital growth primarily through investment in the quoted equity securities of companies in all economic sectors in any part of the world except the United States. The benchmark index is MSCI All Country World ex US Index NDR.

4Factor Global Dynamic Equity

The Strategy aims to provide long-term capital growth primarily through investment in global equities using a proprietary stock-picking approach within a global sector context which is not dominated by any specific style. The Strategy offers a concentrated portfolio of high conviction stocks. The benchmark index is MSCI All Country World Index NDR.

4Factor Emerging Markets Equity

The Strategy aims to achieve long-term capital growth primarily through investment in equities issued by companies listed or with significant operations in countries comprising the benchmark index MSCI Emerging Markets Index NDR.

4Factor Global Core Equity

The Strategy aims to achieve capital growth primarily through investment in global equities using a proprietary stock-picking approach within a global sector context which is not dominated by any specific style. The benchmark index is MSCI All Country World Index NDR.

4Factor Asia (ex Japan) Equity

The Strategy aims to provide long-term capital growth primarily through investment in equities of companies established and listed on a recognized exchange in Asia, excluding Japan.

4Factor European Equity

The Strategy aims to provide long-term capital growth primarily through investment in European companies either listed and/or domiciled in Europe, including the UK, or established outside of Europe but carrying out a significant portion of their business activities in Europe. IAM NA uses a proprietary stock-picking approach, which is not dominated by any specific style. The benchmark index is MSCI Europe NR (MSCI Eur ex UK NR pre 30/11/2012).

Frontier and Emerging Markets - Pan Africa Equity

The Strategy aims to achieve long-term total return by investing primarily in African securities. It will primarily invest in equity instruments of companies which are either domiciled in Africa or are established

in another continent but which derive a significant proportion of their earnings from African countries. The Strategy may also invest in the fixed interest securities of African governments and companies which are either domiciled in Africa or are established in another continent but which derive a significant proportion of their earnings from African countries.

Emerging Market Debt - Local Currency Dynamic

The Strategy aims to achieve long-term total returns primarily through investment in sovereign bonds issued by emerging market borrowers. The Strategy will seek to outperform the comparison index with a clear focus on local currency debt, although it can also take advantage of additional opportunities in currency markets, hard currency emerging market debt, emerging market corporate bonds as well as active yield curve plays and issue selection. The comparison index is JP Morgan GBI-EM Global Diversified Composite.

Emerging Markets Debt - Blended

The Strategy aims to achieve long-term total returns primarily through investment in sovereign bonds issued by emerging market borrowers in both local and hard currencies. The Strategy will seek to outperform the comparison index through both currency and local bond markets, hard currency emerging market debt, emerging market corporate bonds as well as active yield curve plays and issue selection. Comparison index is the 50% JP Morgan GBI-EM Global Diversified/30% JP Morgan Emerging Markets Bonds Global Diversified Index /20% JP Morgan Corporate EMBI Broad Diversified Index.

Multi-Asset Fixed Income - Global Unconstrained Fixed Income

The Strategy is specially designed to provide clients with a total return global fixed income approach unconstrained by a benchmark. The active management approach selects attractive investments from a broad fixed income universe covering government and corporate bonds across developed and emerging markets.

Quality/ Global Franchise

The Strategy aims to achieve long-term outperformance primarily through investment in a concentrated number of high quality, attractively valued, well-run companies that have strong balance sheets and dominant market positioning. The Strategy seeks and continues to hold shares in businesses that IAM NA believes are more immune to global economic cycles. The benchmark index is MSCI All Country World Index NDR

Summary of Risk Factors

As with any investment, there is no guarantee that a portfolio will achieve its investment objective or that the Strategies pursued and methods utilized by IAM NA will be successful under all or any market conditions. Past performance is no guarantee of future performance. All investments involve risks, including the risk of possible loss of principal, and clients should be prepared to bear such risks. The following risk factors may be relevant to the above Strategies. This list details those risks identified at the time of the issue of this document. Risks may arise in the future which could not have been anticipated in advance. Risk factors may apply to each Strategy to varying degrees, and this exposure will also vary over time. Clients should also be aware that not all of the risks listed below will pertain to every account as certain risks may only apply to certain Strategies.

Accounting Risk - Accounting, auditing and financial reporting standards, practices and disclosure requirements vary between countries and can change and this can be a source of uncertainty in the true value of investments and can lead to a loss of capital or income.

Active Management Risk - The portfolio manager has discretion to purchase and sell assets in accordance with the investment policy. It may be as a consequence of the portfolio manager electing to deviate from the constituents of any related market benchmark that a Strategy may not participate in the general upward move as measured by that market's benchmark and that a Strategy's value may decline even while any related benchmark is rising.

African Securities Markets Risk - The stock exchanges and markets in Africa have experienced fluctuations in the prices of securities, and no assurance can be given that such volatility will not continue in the future. Certain governing bodies of stock exchanges can impose restrictions on trading in certain securities, limitations on price movements and margin requirements. African securities markets are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations.

Certain regulatory authorities have only recently been given the power and duty to prohibit fraudulent and unfair trade practices relating to securities markets, including insider trading, and to regulate substantial acquisitions of shares and takeovers of companies. Certain securities markets in Africa are not subject to such restrictions. A disproportionately large percentage of market capitalization and trade volume in the stock exchanges and markets in Africa are represented by a relatively small number of issues. Significant delays have been common in settling trades on certain stock exchanges and registering transfers of securities. Certain African markets are difficult to access given the lack of an efficient market.

Brokerage Firms and Custodians May Fail - The institutions with which IAM NA does business for certain Client or to which the assets of the Client have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital positions of the Clients. Recent events in the credit market have challenged the financial stability of a number of established financial institutions, including brokerage firms. In the event that one of the brokerage firms used by IAM NA becomes bankrupt and fails to segregate the assets on deposit of one or more of the Clients as required, there is a risk of loss for any deficiency. Even if the Clients do not lose their assets on deposit with the brokerage firms (or other financial institutions with which IAM NA may deal for the Clients), the Client could incur market losses as a result of financial difficulties at such brokerage firms (including, but not limited to, situations where the Client may be unable to access their assets and/or execute transactions through their brokers or other financial institutions in a timely manner). In addition, non-U.S. institutions, including non-U.S. brokerage firms, may be subject to different bankruptcy or other regulatory regimes than those applicable to U.S. institutions, and in doing business with such non-U.S. institutions through IAM NA, the Clients may not be afforded certain of the protective measures provided by the SEC and FINRA. Although IAM NA will attempt to minimize the Clients' risk in this area, there is no action that IAM NA can take which is completely risk-free.

Business Continuity Risk - IAM NA has adopted a business continuity plan to maintain critical functions in the event of a partial or total building outage affecting offices or a technical problem affecting applications, data centers or networks. The plan is designed to limit the impact on investors from any business interruption or disaster. Nevertheless, IAM NA's ability to conduct business may be curtailed by a disruption in the infrastructure that supports the operations and the regions in which IAM NA's offices are located.

Cash Flow Risk - A Strategy may have insufficient cash to meet the margin calls necessary to sustain its position in a derivatives contract. This may result in the Strategy having to close a position (or sell other securities to raise the cash) at a time and / or on terms that it may otherwise not have done. This could lead to capital losses for the Strategy.

Charges to Capital Risk - Where the income on a Strategy is not sufficient to offset the charges and expenses of a Strategy they may instead be deducted from the capital of the Strategy. This will constrain the rate of capital growth.

Commodity Price Risk - Commodity price risk is results from the possibility that the price of an underlying commodity may change including energy, metals, agriculture and livestock related prices. The Strategy will invest in commodity related securities and derivatives and hence a change in the price of a commodity may affect the price of the commodity related security or derivative. The performance of the Strategy will be affected directly and indirectly by the prices of certain commodities.

Commodities and Futures Trading - Substantially all trading in commodities and futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain financial instruments, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. Futures trading involves trading in contracts for future delivery of standardized, rather than specific, lots of particular assets. A principal risk in trading futures contracts is the traditional volatility (rapid fluctuation) in market prices. Because of the low margin deposits typically required in futures contract trading, a relatively small movement in the market price of a futures contract may result in a disproportionately large profit or loss. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in a particular futures beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – the investment manager could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses. Investments which offer exposure to commodities may include additional risks (e.g., political risk, natural events or terrorism). This may influence the production and trading of commodities and the value of financial instruments offering exposure to such commodities.

Concentration Risk - Strategies which invest in a concentrated portfolio of holdings may be more volatile than more broadly diversified portfolios.

Conflicts of Interest Risk - IAM NA and its IAM NA Affiliates may, from time to time, act as investment managers or advisers to other Strategies or other client mandates which are competitors to a particular Strategy because they follow similar objectives. It is therefore possible that IAM NA may in the course of its business dealings have potential conflicts of interest for a particular Strategy. IAM NA will, however, have regard in such event to its regulatory and contractual obligations and to its overall duty to act in a commercially reasonable manner to act in the best interests of all clients and to treat all clients fairly when undertaking any investment business where potential conflicts of interest may arise.

Counterparty Risk - A Strategy may enter into transactions with counterparties, thereby exposing it to the counterparties' credit worthiness and their ability to perform and fulfil their financial obligations. This risk may arise at any time a Strategy's assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements.

When entering derivatives transactions, a Strategy may be adversely impacted by conflicts of interest arising from the relationship of the counterparties to the relevant investment manager or another

member of the relevant investment manager's group of companies.

In addition, contracts with service providers and other third party contractors (the "Service Providers") may be entered. This risk means that in certain circumstances (including but not limited to force majeure events) the Service Providers may not be able to perform or fulfil their contractual obligations. This could result in periods where the normal trading activity of a Strategy may be affected or disrupted.

Credit Default Swaps and Other Synthetic Securities Risk - A portion of a Strategy's investments may consist of credit default swaps and other synthetic securities the reference obligations of which may be leveraged loans, high-yield debt securities or similar securities. Investments in such types of assets through the purchase of credit default swaps and other synthetic securities present risks in addition to those resulting from direct purchases of such investments.

Credit Ratings - Credit ratings of debt securities are not a guarantee of quality. A credit rating represents only the applicable rating agency's opinion regarding credit quality based on the rating agency's evaluation of the safety of the principal and interest payments. In determining a credit rating, rating agencies do not evaluate the risks of fluctuations in market value. As a result, a credit rating may not fully reflect the risks inherent in the relevant security. Rating agencies may fail to make timely changes to credit ratings in response to subsequent events. In addition, to the extent that a rating agency rates a security at the request of an issuer, the rating agency has a conflict of interest in providing such rating.

Credit Risk - Where the value of an investment depends on a party (which could be a company, government or other institution) fulfilling an obligation to pay, there exists a risk that the obligation will not be satisfied. This risk is greater the weaker the financial strength of the party. The market value of a Strategy could be affected by any actual or feared breach of the party's obligations, while the income of the Strategy would be affected only by an actual failure to pay, which is known as a default.

Currencies - A client may be exposed in the interbank market to risks associated with any government or market action that might suspend or restrict trading or otherwise render illiquid, in whole or in part, the client's position. A Strategy may trade currencies and financial instruments in interbank and forward contract markets which are believed to be well-established and of recognized standing. A Strategy may effect such trades with brokers and other market participants which it believes to be creditworthy.

Derivatives Risk – Derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for a Strategy, and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a Strategy may not realize the anticipated benefits from a derivative it holds or it may realize losses.

Emerging Market Risk - Certain Strategies may invest in securities of emerging market country governments, their political subdivisions and other issuers whose principal activities are located in emerging market countries. Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well-developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

Equity Securities Risk – Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, preferred stocks,

convertible stocks and warrants. The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. Your portfolio at any point in time may be worth less than the amount that you invested, even after taking into account the reinvestment of dividends and distributions. Regardless of how well an individual investment performs, if financial markets go down, you could lose money.

Exchange Derivatives Risk - Futures contracts may have restricted liquidity due to certain commodity exchanges limiting fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. These prevent trades from being executed at prices beyond the daily limits during a single trading day. Also, once the price of a contract for a futures contract has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit.

Exchange Rate Fluctuation Risk - Currency fluctuations may adversely affect the value of a Strategy’s investments and the income thereon. Currency fluctuations may also adversely affect the profitability of an underlying company in which the Strategy invests.

Fair Value Pricing Risk - Fair value pricing adjustments may be made to the price of an underlying asset of a Strategy, at the absolute discretion of IAM NA, to reflect predicted changes in the last available price between the market close and the Valuation Point. There is, however, a risk that this predicted price is not consistent with the subsequent opening price of that security.

Foreign Issuers Risk - The amount of information which issuers are required to provide about themselves, or may choose to provide, can differ from country to country. Foreign brokers and issuers may not be subject to the uniform accounting, auditing, and financial reporting standards and practices prevalent in countries with more developed standards and practices about such disclosures. In addition, foreign stock exchanges and other securities markets may be more volatile and subject to less governmental supervision than their counterparts in countries with more highly regulated securities industries. Investments in some foreign countries could be affected by factors not present in other markets, including expropriation, confiscation of property, and difficulties in enforcing contracts. All of these factors can make foreign investments, especially those in emerging countries, more volatile.

Future Risk - Investments in growth orientated sectors, such as the technology sector, benefit from investor optimism about the future and their value can fall sharply if sentiment deteriorates.

General Economic and Market Conditions - The success of the investment strategy may be affected by general economic and market conditions, such as interest rates, mortgage prepayment rates, availability of credit, inflation rates, economic uncertainty and changes in laws. These factors may affect the level and volatility of prices of financial instruments and the liquidity of the investments made for the Client’s Volatility or illiquidity could impair the Client’s profitability or result in losses. The liquidity environment may deteriorate and affect other markets and financial institutions before market conditions improve. In a period of broad de-leveraging by all market participants, as has happened in recent years, the values of all asset classes may be adversely affected.

High Yield Debt Securities Risk - High yield debt securities, that is those that are rated BB+ by Standard & Poor's or Ba1 by Moody's or lower, are subject to greater risk of loss of income and principal due to default by the issuer than are higher-rated debt securities. It may also be more difficult to dispose of, or to determine the value of, high yield debt securities.

High yield debt securities rated BB+ or Ba1 or lower are described by the ratings agencies as "predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions".

Income Yield Risk -The level of any yield may be subject to fluctuations and is not guaranteed.

Inflation Risk - Inflation erodes the real value of all investments and changes in the anticipated rate of inflation could lead to capital losses on investments.

Interest Rate Risk -The earnings or market value of a Strategy may be affected by changes in interest rates. This risk can be particularly relevant for fixed-rate debt securities (such as bonds), since their values may fall if interest rates rise. Furthermore, fixed-rate debt securities with a long time until maturity may be more sensitive to changes in interest rates than shorter-dated debt securities, for example a small rise in long-term interest rates may result in a more than proportionate fall in the price of a long-dated debt security.

Investment Company and Exchange-Traded Fund ("ETF") Risk – An investment in an investment company or ETF involves substantially the same risks as investing directly in the underlying securities. An investment company or ETF may not achieve its investment objective or execute its investment strategy effectively, which may adversely affect a Strategy's performance. A Strategy must pay its pro-rata portion of an investment company's or ETF's fees and expenses. Shares of a closed-end investment company or ETF may trade at a premium or discount to the net asset value of its portfolio securities.

Investment Strategy Risks. Strategy success depends on the ability to implement a specific investment strategy. Any factor that would make it more difficult to execute more timely transactions, such as a significant reduction in liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the Strategy will be successful under all or any market conditions. Past performance is no guarantee of future results.

General Risks of Investments - A potential investor should note that the prices of the securities and other instruments in which the funds and/or accounts under management may invest may be volatile. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, regulators from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. Such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

Investment Grade Risk - Investment grade debt securities, like other types of debt securities, involve credit risk. Investment grade debt securities also face the risk that their ratings can be downgraded by the ratings agencies.

Legal and Documentation Risk - The risk that, in the event of a broker or counterparty default or a dispute, the rights or remedies available arising from the contractual arrangements in place with the defaulting broker or counterparty may not be able to be enforced or relied upon.

Leverage Risk - Where a Strategy uses derivatives to create aggregate exposure that is greater than its net assets, this creates the effect that it will have greater exposure to certain risks that are associated with the use of derivatives. See also *Counterparty Risk* and *OTC Derivatives Instrument Risk*).

Liquidity Risk – In certain situations, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price.

Market Risk – The market value of the instruments in which a portfolio invests may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.

OTC Derivative Instruments Risk - Pricing of these instruments is subjective and their valuation is limited to a small number of market professionals who often act in a dual capacity, as the counterparty and pricing agent for the same transactions. In addition, OTC derivative instruments may be exposed to counterparty risk – see “*Counterparty Risk*”.

Political Risk - Expropriation by the state, social or political instability, or other restrictions on the freedom of the Strategy to deal in its investments, may all lead to investment losses. It should also be noted that there may be occasions when a government imposes restrictions on a company’s operations and / or the free movement of cash.

Pricing and Liquidity Risk - The price at which an asset is valued may not be realizable in the event of sale. This could be due to an incorrect estimation of the asset’s value or due to a lack of liquidity in the relevant market.

Reliance on Management - All decisions regarding the management and affairs of the funds and/or accounts will be made exclusively by IAM NA. Accordingly, no person should purchase interests or open an account unless such person is willing to entrust all aspects of management of the funds or accounts to IAM NA.

Risk of Loss - It is not guaranteed that the value of investments and the income derived from them will go up.

Risk of Market Action - Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to changes in the volatility of any of these.

Risk of Remittance Restrictions - In some countries, the proceeds from the sale of a security, or dividends or other income, which is due to foreign investors may not be payable, in full or in part, due to governmental or other restrictions. Any such restrictions will reduce the profit potential of a Strategy and may lead to losses.

Sector and/or Geographical Risk - Any Strategy that restricts investment to a small number of related sectors and / or geographical locations may decline even while broader based equity market indices are

rising.

Settlement and Custody Risk - In emerging markets, there may be delays in settlement and/or uncertainty in relation to the ownership of the Strategy investments which could affect the Strategy's liquidity and which may lead to investment losses.

Short Exposure Risk - Where a Strategy uses derivatives to create short exposure there is potential for gains to be made when the underlying securities are falling in value, but a loss could be incurred when the underlying security is rising in value. This means the Strategy's performance will be less closely related to the performance of the type of assets in which it will ordinarily invest.

Short Selling Risk - The establishment and maintenance of a short position in securities can involve greater risks than would be the case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the securities concerned, problems associated with the cost or availability of stock to borrow for the purposes of short selling and possible difficulties in purchasing stock to cover short positions in certain market conditions.

Smaller Company Risk - Smaller company shares may be less liquid and more volatile than the shares of larger companies, due to the smaller number of shares in issue and the frequently less diversified and less established nature of the business. These factors can create a greater potential for significant capital losses.

Swap Agreements Usage - The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary investment transactions. Interest rate swaps, for example, do not typically involve the delivery of financial instruments, other underlying assets or principal. Accordingly, the market risk of loss with respect to an interest rate swap is often limited to the amount of interest payments that the contracting client is contractually obligated to make on a net basis. If the other party to an interest rate swap defaults, the risk of credit loss may be the amount of interest payments that is contractually entitled to be paid on a net basis. However, where swap agreements require one party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. If there is a default by the counterparty, the other party may have contractual remedies pursuant to the agreements related to the transaction. The investment performance of the Strategy, however, may be adversely affected by the use of swaps if the forecasts of market values, interest rates or currency exchange rates are inaccurate.

Tax Risk – Tax laws and regulations applicable to an account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. Investors should consult their own tax advisers to determine the potential tax-related consequences of investing.

There can be no assurance that IAM NA will achieve the investment objectives or avoid substantial losses for the Funds and/or Separate Accounts under management. Investing in securities involves risk of loss that clients should be prepared to bear. Investors are urged to consult with their independent financial advisers in connection with an investment in the Funds or through a Separate Accounts managed by IAM NA.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of IAM NA's investment advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Global Firm

IAM NA Affiliates operate investment teams in London, Singapore and Cape Town. They may share proprietary research and information developed by each of those entities. IAM NA's trades are executed centrally in IAML's Dealing Desk in London and Cape Town ("**Dealing Desk**") which operates a global order management system, thinkFolio. IAM NA is part of a global financial services company. IAM NA may occasionally engage in business activities with some or all of those companies subject to its policies and procedures governing how IAM NA handles conflicts of interests. IAML's global executives serve also on the boards of IAM NA Affiliates.

Dual-Hatting Affiliates

In connection with its investment advisory services to its Clients and through the Dual-Hatting Agreement, IAM NA may use the resources of the Dual-Hatting Affiliates to provide investment advice, portfolio management and legal and compliance functions. In addition, through a services agreement between IAM NA and the Dual-Hatting Affiliates (the "**Services Agreement**"), IAM NA may use the resources of the Dual-Hatting Affiliates to provide ancillary services to Clients. Under the Dual-Hatted Agreement, each of the Dual-Hatting Affiliates and any of their Dual-Hatted Employees who oversee and manage the investment duties of IAM NA on behalf of its Clients are considered "associated persons" of IAM NA. The Dual-Hatting Affiliates have agreed to (1) cooperate with IAM NA in the event of any SEC request made to IAM NA for information about IAM NA, its investment advisory business or its Clients and (2) the jurisdiction of the U.S. courts for actions arising under the U.S. securities laws in connection with the investment advisory services IAM NA provides to Clients.

- IAML is registered with both the SEC and the FCA. As a party to the Dual-Hatting Agreement with IAM NA, IAML permits certain of its officers and personnel, as applicable, to provide investment advice and portfolio management services to IAM NA's Clients as Dual-Hatted Employees. Such persons are subject to the control and supervision of IAM NA, and to IAM NA's compliance policies and procedures and Code of Ethics, in connection with any such services provided to IAM NA's Clients. Please see Item 11, *Code of Ethics, Participation or Interest in Client Transaction and Personal Account Dealing* for detail. In addition, IAML is a party to the Services Agreement in which it agrees to provide IAM NA with various services ancillary to its investment advisory services, including administrative, marketing, dealing, derivative transacting, and risk analysis services, as well as general operational support.
- IAM Pty, whose ultimate parent company is Investec Ltd, offers investment management and advisory services on behalf of IAM in South Africa. IAM Pty is regulated by the SA FSB. As a party to the Dual-Hatting Agreement, IAM Pty permits certain of its officers and personnel, as applicable, to provide investment advice and portfolio management services to IAM NA's Clients as Dual-Hatted Employees. Such persons are subject to the control and supervision of IAM NA, and to IAM NA's compliance policies and procedures and Code of Ethics, in connection with any such services provided to IAM NA's Clients. Please see Item 11, *Code of*

Ethics, Participation or Interest in Client Transaction and Personal Account Dealing for detail. In addition, IAM Pty is a party to the Services Agreement in which it agrees to provide IAM NA with various services ancillary to its investment advisory services, including administrative, marketing, dealing, derivative transacting, and risk analysis services, as well as general operational support.

Services to and from other affiliates of the Investec Group

- Investec Securities Ltd (“**Investec Securities**”), whose ultimate parent company is Investec Limited, provides broker-dealer services in markets in South Africa. Investec Securities is a member of the Johannesburg Stock Exchange and is regulated by the SA FSB. Subject to the best execution mandate, Investec Securities may execute transactions in securities for Clients to the extent permissible under all appropriate rules and regulations.
- IAM NA may share research services obtained with research credits with other IAM NA Affiliates.
- IAM NA may assist IAM NA Affiliates in the marketing and sales of non-U.S. pooled investment vehicles to U.S. investors. IAM NA has properly licensed employees who provide marketing, sales and client services for the Funds and Separate Accounts mentioned in Item 4, *Advisory Business*.

Item 11. Code of Ethics, Participation or Interest in Client Transaction and Personal Account Dealing

Code of Ethics

IAM NA has adopted a Code of Ethics (the “**Code**”) pursuant to Rule 204A-1 of the Advisers Act applicable to partners, officers, directors, employees, interns and temporary employees and its Dual-Hatted Employees. This Code sets forth the standard of business conduct as well as rules for personal securities transactions that are designed to address or mitigate potential conflicts of interest and to minimize any potential appearance of impropriety. Compliance with the Code is a condition of employment for all employees. IAM NA will provide a copy of the Code to any Client or prospective Client upon request. The Code covers personal securities transactions of all Access Persons (as defined in the Code) and any accounts where Access Persons may have beneficial ownership interest. The Code permits Access Persons to trade in securities for their own accounts even if the securities are recommended to and/or purchased by Clients. However, the personal trades are subject to preclearance procedures, black-out period and reporting requirements as well as other provisions that restrict personal trading. Violations of the Code may be subject to remedial actions, including, but not limited to: a letter of caution, warning or censure, recertification of the Code, disgorgement of profits, suspension of trading privileges, termination of officer title, and/or suspension or termination of employment. Employees are required to annually certify compliance with the Code.

Participation or Interest in Client Transaction

Neither IAM NA nor any IAM NA Affiliate invests for its own account. However, if permitted by a particular Client’s investment objectives, guidelines, and restrictions, and applicable law and regulations, IAM NA may use its discretion to effect a Client purchase of securities offered in either a public or private

underwriting where an affiliate of the Investec Group is acting in the capacity of a manager, market maker underwriter, or placement agent. IAM NA also provides investment advice to affiliates of the Investec Group (“**Investec Group Affiliates**”).

Investec Group Affiliates provide a variety of investment banking, commercial banking, brokerage and other services to a broad range of clients, including issuers of securities that IAM NA may recommend for purchase or sale by clients. With respect to these global financial activities, Investec Group Affiliates may take positions in securities that are in competition with or opposite of positions held by IAM NA’s Clients. Because these Investec Group Affiliates and IAM NA generally conduct their business independently of one another, IAM NA is not in a position to prevent any Investec Group Affiliate from taking such positions. However, neither IAM NA nor Investec Group Affiliates knowingly compete with each other or take positions opposite each other.

Similarly, IAM NA performs investment management and investment advisory services for various Clients, many of whom may have differing investment objectives, guidelines, and restrictions. As a result, IAM NA may give advice and take action in the performance of its duties for a particular Client that may differ from the advice given, or the timing or nature of action taken, with respect to other Clients. Frequently, a particular security may be bought or sold for only one or a small number of Clients, or in different amounts and at different times for more than one but less than all Clients. In some cases, IAM NA may cause one or more accounts to buy or sell a security from or to a broker-dealer, and soon thereafter may engage in the opposite transaction for one or more other accounts from that or another broker-dealer. IAM NA has adopted procedures that it believes are reasonably designed to seek to obtain the most favorable price and execution for the transactions by each account.

IAM NA may also give advice and take action with respect to any Client that may differ from action taken on behalf of other Client. IAM NA and IAM NA Affiliates are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling, any security that employees may buy or sell for their own personal account or for the accounts of any IAM NA Client. IAM NA manages conflicts with its employees including the Dual-Hatted Employees investing for their accounts by requiring that any transaction be made in compliance with the Code.

IAM NA’s employees may also give advice and take action in the performance of their duties for some Clients that may differ from advice given, or the timing or nature of actions taken, for other Clients or for their personal accounts. IAM NA has no obligation to acquire a position in any security for a client account which it acquires on behalf of another client account, or which an IAM NA employee acquires for his or her personal account. Likewise, client accounts shall not have co-investment or other rights in respect of any such investment.

It is possible that in the course of business, investments for Clients will overlap with investments for the clients of an IAM NA Affiliate and create a possible conflict of interest in connection with an investment opportunity that may be suitable for multiple accounts, but not in sufficient quantities for all accounts to participate fully. Because IAM NA provides services to a number of different Clients, potential conflicts of interest may also arise related to the amount of time an individual devotes to managing particular accounts. IAM NA may also have an incentive to favor accounts in the allocation of investment opportunities or otherwise treat preferentially those accounts that pay IAM NA a performance-related fee, or a higher fee level or greater fees overall.

To address such conflicts, IAM NA has established a variety of policies and procedures whose goals are to

facilitate the fair allocation of investment opportunities. Please see Item 6, *Performance-Based Fees and Side-by-Side Management* for more information about the side-by-side management of accounts and Item 12, *Brokerage Practices* for more information about the allocation policy. At all times, IAM NA seeks to treat all of its Clients in a fair and equitable manner and will act in a manner that IAM NA believes to be in the best interests of Clients.

In the course of providing these services, IAM NA or IAM NA Affiliates may come into possession of material, non-public information. IAM NA Affiliates and Investec Group Affiliates have installed informational barriers procedures intended to control the sharing of confidential information, including information obtained by Investec Group Affiliates in the course of their investment banking, commercial banking, brokerage, investment management and other operations activities. Such confidential information, if obtained, will not be used as a factor in making investment decisions for the portfolios of Clients.

Potential conflicts of interest may also arise in connection with the knowledge by an employee of either IAM NA and/or an IAM NA Affiliate about the timing of transactions, investment opportunities, broker selection, portfolio holdings and investments. Such employees who have access to the size and timing of transactions may have information concerning the market impact of transactions. Such employees may be in a position to use this information to their possible advantage or to the possible detriment of a client account. IAM NA manages these potential conflicts involving employee personal trades by requiring that any personal trade be made in compliance with the Code.

Consistent with its duty to seek best execution, IAM NA may from time to time effect securities transactions for its client accounts through an Investec Group Affiliate acting as broker-dealer, see Item 10, *Other Financial Industry Activities and Affiliates* and Item 12, *Brokerage Practices*.

From time to time, IAM NA may deem that it is in the best interests of its Clients to transfer a security from one account under management to another such account (each, a “**brokered cross-trade**”). Any such brokered cross-trade must be executed through a broker-dealer or other properly qualified third party, unaffiliated with IAM NA. IAM NA requires that the securities be crossed at mid-market price based on independent pricing sources. Any additional fees are shared fairly between the client accounts.

Notwithstanding anything else contained herein on permissible cross trades, the prohibited transaction rules under the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) bar investment managers from engaging in cross-trades or brokered cross-trades absent an exemption. IAM NA shall not execute any cross-trades or brokered cross-trades between two of its accounts if one of such accounts is subject to ERISA. A Fund may, from time to time, accept contributions from investors subject to ERISA. Under ERISA’s plan asset regulations, generally, if 25% of any class of equity of a fund is held by plans subject to ERISA, 100% of such Fund’s assets will be considered “plan assets” for purposes of ERISA and such Fund will be required to meet all applicable ERISA rules and regulations. Accordingly, if a Fund is deemed to be a “plan assets vehicle”, IAM NA will not execute any cross-trades or brokered cross-trades involving such Fund. IAM NA shall maintain a log of accounts subject to ERISA, which shall be available to the traders and portfolio managers at all times.

Rule §206 (3) of the Advisers Act prohibits an investment adviser from, directly or indirectly, acting as a principal in transactions with its advisory clients without (i) disclosing to such client in writing before the completion of any settlement of such transaction the capacity in which IAM NA is acting, and (ii) obtaining the written consent of such client prior to the settlement of such transaction. IAM NA does not invest

in securities for its own account. However, accounts managed by IAM NA may contain sufficient assets attributable to its Investec Group affiliates to render such accounts “principal accounts” for purposes of this section of the Advisers Act. IAM NA does not cause accounts it manages to enter into principal trades without the prior written approval of the applicable Clients.

The transactions described above involve the potential for conflict of interest between IAM NA and its affiliates, between IAM NA and its Clients or between different Clients. The Advisers Act, the Investment Company Act and ERISA impose certain requirements designed to decrease the possible effects of conflicts of interest between an investment adviser and its clients, which may result in certain transactions being permitted and others being prohibited. As such, IAM NA seeks to ensure that potential or actual conflicts of interest are appropriately resolved, taking into consideration the overriding best interests of its Clients.

Personal Account Trading

IAM NA’s employees may invest in securities for their personal accounts that are also held in IAM NA’s client accounts. Potential conflicts may arise in this situation because IAM NA’s employees may have a material interest in or relationship with the issuer of a security or may use knowledge about pending or currently considered securities transactions for Clients to profit personally.

Certain of IAM NA’s employees and the Dual-Hatted Employees are allowed to invest in certain non-U.S. pooled investment vehicles managed by IAM NA Affiliates. These investments are subject to pre-clearance rules under the Code and the IAML’s Global Personal Account Dealing Policy. Clients should be aware that such investments may be deemed to create a conflict of interest, as there could be an incentive for IAM NA employees and the Dual-Hatted Employees to allocate investment opportunities to such non-U.S. pooled investment vehicles funds or accounts in which employees are invested at the expense of other advisory clients.

To address these potential conflicts, IAM NA’s employees and the Dual-Hatted Employees are required to report brokerage and trading accounts to IAM NA upon hire and at the time a new account is opened and annually. The Code requires, among other things, advance approval of certain purchases or sales of securities by its employees. To ensure compliance with the pre-trading authorization requirement, each IAM NA employee is required to instruct each broker-dealer with whom he or she maintains an account to send directly to IAM NA a duplicate copy of all transaction confirmations generated by that broker-dealer for the account of such IAM NA employee. These confirmations or other relevant records are reviewed by Compliance to ensure compliance with the pre-trading authorization requirement. In addition, the Code restricts the purchase and sale by its employees for their own accounts of securities which have been or are being considered for purchase for client accounts. Except under certain limited circumstances, employees are not to engage in a transaction in the same security (or a security equivalent) while an order for a client account is pending or within a certain period of time before and after execution of the transaction in that security (or a security equivalent) on behalf of the Client. To the extent IAM NA determines that there is no conflict of interest, IAM NA’s employees from time to time may engage in outside business activities.

IAM NA Affiliates may purchase, hold, or sell securities that are recommended for purchase or sale in IAM NA’s client accounts. While the Dual-Hatted Employees are subject to IAM NA’s Code, IAML’s other subsidiaries are subject to IAML’s Global Personal Account Dealing Policy. IAML’s Global Personal Account Dealing Policy enables IAM NA and IAM NA Affiliates to coordinate the preclearance of securities in order to prevent conflicts of interest and the perception of impropriety in employee personal trading. The

nature and timing of actions taken by one or more of IAM NA's employees or by one or more of the IAM NA Affiliates, either for their own accounts or for a client account, may differ from the nature and timing of actions taken by IAM NA for another client account. Because the Code places restrictions on when IAM NA employees may trade certain securities, the price received by a Client in a securities transaction will most likely be different than the price received by an employee.

Employees of IAM NA and IAM NA Affiliates may participate in pension plans managed by affiliates of the Investec Group. The plans may invest in certain vehicles for which IAM NA acts as investment manager. Such investment vehicles also may be recommended to or held by Clients.

Item 12. Brokerage Practices

IAM NA's trades are executed centrally by IAML's London and Cape Town Dealing Desk teams ("**Dealing Desk**") which operate a global order management system, thinkFolio. Pursuant to the Services Agreement, and subject to control and review by IAM NA, the Dealing Desk executes trades authorized by IAML and IAM Pty servicing IAM NA's Clients. Below is a discussion of the Dealing Desk's brokerage practices.

Best Execution

Typically, Clients give IAM NA full discretionary authority over assets under management, subject to any limitations or prohibitions that may be imposed by each client in its investment objectives, guidelines, and restrictions, or in instructions otherwise provided to IAM NA by the Client. IAM NA will have the power to determine - without consultation with the client - which securities are bought and sold, when such purchases and sales are made, and the total amount of such purchases and sales. Except in those instances where a client wishes to retain discretion over broker selection and commission rate, IAM NA accepts full discretionary authority to determine the broker to be used and the commission paid, with the objective of attaining the best available price and most favorable execution ("**best execution**") for each transaction.

Pursuant to the Services Agreement, IAM NA delegates the selection of the broker-dealers to IAML and IAM Pty. In selecting a broker-dealer for each specific transaction, the Dealing Desk uses its best judgment to choose the broker-dealer most capable of providing the services necessary to obtain the best execution of that transaction. The Dealing Desk operates as an independent functional unit, thereby seeking to eliminate any potential conflicts of interest between portfolio management and trading activity. In seeking the best execution, Dealing Desk evaluates a wide range of criteria, including any or all of the following: the broker's commission rate, promptness, reliability and quality of executions, trading expertise, positioning and distribution capabilities, back office efficiency, ability to handle difficult trades, knowledge of other buyers and sellers, ability to provide IAM NA with market-related information, confidentiality, prior performance and responsiveness in serving IAM NA's Clients, and other factors affecting the overall benefit received by the Client in the transaction. When circumstances relating to a proposed transaction indicate that a particular broker-dealer is in a position to obtain the best execution, the order is placed with that broker-dealer. This may or may not be a broker-dealer that has provided investment information and research services to IAM NA.

The Dealing Desk maintains a list of approved broker dealers and has established standard commission rates with the broker-dealers with which it transacts. The standard commission rates vary based on the type of transaction. Some trades are made on a net basis where the Client buys securities directly from a dealer, or sells them directly to a dealer. This is typical for securities traded in the over-the-counter

market, foreign exchange and for most debt securities. In such transactions, there is no direct commission charged, but the dealer receives a “spread” which is the equivalent of a commission for engaging in the transaction.

In some cases, the Client will request that some or all transactions for that account must be executed through a specific broker-dealer. The Dealing Desk fulfills that request on a best effort basis and the Dealing Desk’s authority to select the broker-dealer through whom transactions will be executed remains subject to the best execution mandate. Occasionally, IAM NA may be requested by some clients to leverage a third party or custodian to conduct currency hedging for their portfolios with the goal of compensating for shifts in the relative value. Foreign exchange transactions (FX) may be conducted through the respective portfolio’s custodian bank or through third-parties.

Generally, the Dealing Desk uses unaffiliated broker-dealers. However, from time to time the Dealing Desk may execute trades with affiliated broker-dealers if it decides that they offer best execution pursuant to applicable laws and regulations. Such broker-dealer may earn a commission on certain trades executed on behalf of IAM NA’s Clients.

Research and Other Soft Dollar Benefits

Pursuant to the Services Agreement, IAM NA delegates the commission sharing arrangements with certain executing broker-dealers on behalf of IAM NA’s Client to IAML and IAM Pty: Subject to the requirement of seeking best execution, the Dealing Desk may generate research credits by trading with these broker-dealers at commission rates greater than the lowest available commission rate. These credits may then be used to pay for research services provided by third parties.

IAM NA’s investment teams will periodically assess the value of research services provided by broker-dealers and independent research providers. Based on this assessment a suggested, non-binding budget is allocated to each research provider. In most cases, where sufficient research credits have been built up through trading with a particular executing broker-dealer to meet this budget, the broker-dealer will be instructed to take payment for research services from these credits. Where trading activity with a broker-dealer is such that surplus research credits are accrued, that broker-dealer will be instructed to pay any surplus to broker-dealers where there has been insufficient trading or to independent research providers. In this way the level of trading with broker-dealers is based solely on their ability to offer best execution as determined by the Dealing Desk, and the research credits received for research services are based solely on the value of the research as determined by the investment teams. Where overall trading levels are insufficient to meet aggregated non-binding budgets IAM NA may make additional payments to the research providers in hard dollars. Few research services may be received on a contractual fixed-price basis. Commission rates are assessed throughout the relevant period, and if IAM NA believes it is likely to generate commissions in excess of the aggregated non-binding budgets for all research providers, trades will be placed with broker-dealers on an ‘execution only’ basis, meaning that no additional research credits are generated for the remainder of the period. Research products and other services paid for in this way can be referred to as soft dollar benefits.

Receiving research services in exchange for soft dollars creates potential conflicts of interest for IAM NA, since IAM NA would otherwise have to generate the research, or pay for it from its own resources, allowing IAM NA to reduce its costs.

The Dealing Desk has sole discretion to execute with its choice of broker-dealer in order to achieve best

execution. It is not influenced in its choice of broker-dealer by the quality of research provision as this is a factor assessed by IAM NA's investment teams and will, therefore, not direct trades towards a particular broker-dealer on the basis of any direction from the investment teams.

The research services benefit IAM NA by allowing IAM NA, at no additional cost to IAM NA (1) to supplement its own research, analysis and execution activities and (2) to receive the views and information of individuals and research staffs of other securities firms. Under the safe harbor provision of Section 28 (e) of the Securities Exchange Act of 1934, an investment adviser may cause clients to pay more than the lowest available commission rate in order to acquire certain research and brokerage services with the research credits generated by its client account transactions. Any product and service IAM NA receives with research credits must fall within the safe harbor. As an investment manager with operations in the UK, IAM NA is also bound by the FCA's rules around the use of dealing commissions for investment research. Research services paid for by IAM NA through dealing commissions of IAM NA's Clients, therefore, meet both the UK FCA's rules and also fall within the Section 28(e) safe harbor.

IAM NA uses research that it receives from broker-dealers to evaluate securities and to formulate investment recommendations. Such services are used by IAM NA as part of its investment process to enhance portfolio return, and are helpful to IAM NA in serving its clients. Among other things, IAM NA may receive research reports on market, economic conditions, particular sectors and industries; oral advice, and IAM NA-commissioned research requests; attendance at meetings with economists, and other financial analysts; consultation with scientific and technical experts concerning the viability and market potential of an issuer's products and services; economic advice; market-related and survey analysis concerning the products and services of an issuer and its competitors or concerning a particular industry that are used to enhance IAM NA's ability to analyze an issuer's financial condition and prospects

Where information and other services can be used for brokerage or research purposes, on the one hand, and non-research or non-brokerage purposes, on the other, IAM NA makes an appropriate good faith allocation of those uses and pays directly for that portion of the services to be used for non-research or non-brokerage purposes. This allocation can create a potential conflict of interest. In order to manage this conflict of interest, the allocation is carried out independently of the investment management team and is subject to second independent review.

The research services that IAM NA receives from brokers-dealers are used by IAM NA and IAM NA Affiliates' analysts and portfolio managers to formulate recommendations for the purchase or sale of securities benefitting IAM NA Clients. These recommendations, as well as IAM NA's analysis and the research used to formulate recommendations, may be made available to the IAM NA Affiliates and is used in

servicing client accounts. The research services received may be useful and of value to IAM NA in servicing some or all of its Clients, but not all research services will be used to service every Client. It is recognized, therefore, that a particular account may be charged a commission paid to a broker-dealer who supplied research services not utilized by such account.

Trade Aggregation and Allocation

In many cases, portfolio transactions may be executed in an aggregated transaction as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by the Dealing Desk, some of which accounts may have similar investment objectives. In addition, the Dealing Desk may coordinate the execution of transactions for IAM NA's Clients with execution for transactions for the

Clients of IAM NA's Affiliates. IAM NA believes that aggregation of transactions may enable it to obtain efficient execution, although there is no certainty that such objective will be achieved. Coordination of transactions among the clients of IAM NA and the IAM NA Affiliates may have similar results. As a result, many of IAM NA's equity transactions are coordinated for its Clients through the Dealing Desk and aggregated in the global order management system. This practice helps to minimize the possibility that Clients of IAM NA and those of IAM NA Affiliates would compete in the marketplace by executing transactions in the same security during the same day. When the Dealing Desk executes an order for a security the global order management system will aggregate that order for execution along with any other order(s) it may have received for the same security from another IAM NA Affiliates. One of the Dealing Desk's objectives in aggregating trades for Clients of IAM NA with each other and with clients of the IAM NA Affiliates is to attempt to ensure that all clients are treated in a fair and equitable manner over time. Although the Dealing Desk generally believes that aggregation of transactions may be consistent with its duty to seek best execution, the Dealing Desk is not obligated to aggregate orders into larger transactions.

IAM NA has adopted an allocation policy that applies to investment opportunities which have limited capacity and/or time availability. This policy directs IAM NA to allocate investment opportunities among Clients fairly and provides consistent treatment of Clients with similar investment objectives and guidelines to the extent practicable. Although IAM NA attempts to obtain capacity in the market for all of Clients that may participate, capacity is not always available. Under such circumstances, IAM NA may, in theory, have an incentive to allocate, aggregate or sequence trades in favor of, or to otherwise favor certain clients (e.g., those client accounts for which IAM NA receives a performance-based fee). To address this and other potential conflicts of interest, generally, IAM NA will allocate investment opportunities among participating client accounts on a *pro rata* basis based on account size. Allocations may be subject to rounding to ensure that resulting lot sizes are economic and tradable. Situations may arise, however, where IAM NA believes in good faith that an allocation to a particular client account may not be appropriate because, among other reasons, (i) client guidelines and restrictions, (ii) insufficient cash in a client account for such investment, or (iii) where the resulting allocation will result in a *de minimis* allocation which is neither tradable nor scalable. All trade allocations are documented at the time of placing an order in the market without client favoritism. Under no circumstances will IAM NA allocate trades based upon subsequent market movements. IAM NA monitors the adherence to the allocation policy.

Over the Counter (OTC) Trades

The Dealing Desk regularly purchases securities for Client accounts that are not listed on a national securities exchange but that are traded in the over-the-counter market, and may also purchase listed securities in the third market (over-the-counter trades of exchange-listed securities). Where transactions are executed in the over-the-counter market or third market, the Dealing Desk will seek to deal with the primary market-makers, but when necessary in order to seek to obtain the best price and execution, it will utilize the services of others. In all cases, Dealing Desk will attempt to secure best execution.

Item 13. Review of Accounts

Automated restriction monitoring is a key part of the risk control framework and is monitored pursuant to the Services Agreement by IAM NA through IAML's Investment Operations team ("**Investment Operations**"). Clients' investment restrictions are coded into the trade order management system ("**thinkFolio**") by Investment Operations. Where possible, the system allows portfolio investment restrictions to be 'hard-coded' and aims to ensure that, before any deals are completed, portfolio

restrictions are identified and breaches avoided. Investment restrictions are checked automatically both pre- and post-trade execution.

Pre-trade messages warn portfolio managers of potential breaches. According to the nature of the rule that has been coded into the system (e.g., absolute prohibition of a particular security or a limit as to how much of a security may be held in relation to total portfolio market value), the portfolio manager is then either prevented from taking the transaction any further, or asked to annotate a reason for proceeding with the trade. Any pre-trade overrides are reviewed by Investment Operations to confirm their appropriateness.

Where appropriate, any rule that cannot be automated into thinkFolio is noted as a warning in order to alert a portfolio manager to check the position prior to placing a trade in order to ensure that such trade will not breach such rule. Post-trade reports are monitored daily by Investment Operations.

Any breaches that do occur are forwarded to Compliance for review and, depending, on their nature, on the action required to rectify. Investment Operations and Compliance liaise to ensure any breaches and errors are resolved as soon as possible. They will also liaise with relevant key individuals from other teams, such as the client relationship managers.

In the case of a breach within a Client's portfolio, IAM NA notifies its Clients and discuss the appropriate remedial action in accordance with instructions included within the IMA. The timeline and procedures for correcting a breach will vary depending upon the terms formally set out in the IMA. A full audit trail exists for rules, pre-trade overrides and post-trade incidents.

A separate Client Operations team ("**Client Operations**") is responsible for all aspects of reporting to clients with Separate Accounts. Each Client's specific reporting requirements and deadlines defined within its IMA are recorded in the Client Relationship Management system. In addition, all monthly, quarterly, annual and ad hoc reporting requirements are monitored and dispatch dates are recorded for each period.

Item 14. Client Referrals and Other Compensation

IAM NA has established relationships with consultants who assist institutional investors and pension plans. As described in Item 12, *Brokerage Practices* certain brokers-dealers may provide IAM NA with research credits. Certain of IAM NA's employees receive compensation related to the sale of shares of the non-U.S. pooled investment vehicles managed by IAM NA Affiliates to certain non-U.S. investors as discussed in Item 5, *Fees and Compensation*. There are circumstances where IAM NA may refer a client to an IAM NA Affiliate. In these cases, IAM NA may receive a revenue credit from the relevant IAM NA Affiliate for the client referral. Other than the above, IAM NA does not receive economic benefits from any third party with regards to client referrals or in connection with giving advice to clients.

Item 15. Custody

IAM NA does not maintain physical custody of Client assets nor does IAM NA has authority over Separate Account assets other than for bona fide investment and trading purposes. Instead, client cash and securities are held at independent qualified custodians.

IAM NA may be deemed to have custody of certain Funds it manages because IAM NA is the managing member of such Funds. As such, certain provisions of Rule 206(4)-2 apply to IAM NA, including the Annual Surprise Examination requirement. Investors should receive at least quarterly statements from the

qualified custodian that holds and maintains client investment assets. IAM NA urges investors to carefully review such statements and compare such official custodial records to the account statements that IAM provides to investors. Account statements produced by IAM NA may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16. Investment Discretion

IAM NA provides discretionary investment management services. IAM NA typically receives discretionary authority from the Client at the outset of an advisory relationship, pursuant to the Fund Documentation or the applicable IMA. IAM NA has the authority to select the identity and amount of securities to be bought or sold, subject to the stated investment objectives for the particular client account without obtaining specific Client consent. The stated investment objectives and guidelines for the particular client account or the Fund's investment objectives and restrictions may be amended from time to time with the consent of the Client, or, in case of the Funds, consent from a certain percentage of investors in the Fund. Investment guidelines and restrictions must be provided to IAM NA in writing. For certain Clients, IAM NA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Item 17. Voting Client Securities

The power to vote proxies with respect to the securities and investments of our Clients derives from IMAs or the Fund Documents. Clients may retain proxy voting authority for themselves and preclude us from voting proxies for their account.

When IAM NA accepts voting authority, IAM NA delegates such voting authority to IAML through the Services Agreement. IAML has adopted written Proxy Policy Guidelines and Procedures (the "**Proxy Guidelines**") that are reasonably designed to ensure that IAM NA is voting in the best interest of its Clients. The Proxy Guidelines reflect IAML general voting positions on specific corporate governance issues. IAML votes in accordance with its policy and proxy voting guidelines. A copy is found on our website via this link: [IAML Proxy Voting Policy](#). The link also provides information on how we have voted. While this policy applies globally, IAML may consider voting decisions differently in developed markets and local markets.

IAML uses ISS, an independent third party proxy voting service, to effect proxy votes. ISS receives the instructions from IAML and processes these with custodians and sub-custodians.

The central management of the proxy voting rests with the *Environmental, Social and Governance Team* in London and Cape Town who alerts the investment teams daily of upcoming votes. They also follow up with analysts and portfolio managers on resolutions and meetings which are controversial or which require extra attention, including engagement with the management. IAML aims to vote as many shares as practical given local market regulations (e.g., around share blocking). Governance, including proxy voting, is internally governed by the Investment Governance Committee which is made up of senior representatives of the firm, including the Chief Executive Officer and Co-Chief Investment Officers. This committee will oversee and review the proxy policies and any controversial votes are discussed at this meeting, including conflicts of interest issues related to nominating directors, engagement and fundamental transactions, e.g., as disclosed in more detail the [IAM Stewardship Policy](#).

Portfolio managers monitor and, where appropriate, engage with investee companies. This monitoring may include an assessment of the strategic governance of the companies in which we invest and

includes a clear audit trail of voting where applicable. IAML does not generally attend annual shareholder meetings of companies in which we invest, but will do so when we consider this necessary or appropriate.

Item 18. Financial Information

IAM NA does not require any prepayment of fees of more than US\$1,200 per client and six months or more in advance. IAM NA is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has IAM NA been the subject of a bankruptcy petition at any time during the past ten years.

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