



**PART 2 OF FORM ADV  
BROCHURE DOCUMENT**

**KBI GLOBAL INVESTORS (NORTH AMERICA) LTD**

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This brochure provides information about the qualifications and business practices of KBI Global Investors (North America) Ltd ("KBIGI (North America)" or "Registrant"). If you have any questions about the contents of this brochure, please contact us at +353 1 4384400 or [compliance@kbigi.com](mailto:compliance@kbigi.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## ITEM 2: MATERIAL CHANGES

On the 18<sup>th</sup> May 2016 a definitive agreement was signed between Amundi, Oddo & Cie and KBI Global Investors Ltd (“KBIGI”) (previously known as Kleinwort Benson Investors Dublin Ltd) whereby Amundi would acquire an 87.5% stake in KBIGI from Oddo & Cie, with the KBID Management team acquiring a 12.5% stake. This transaction was subject to the regulatory approval of the Central Bank of Ireland and which was granted on the 27<sup>th</sup> July 2016. KBIGI is the direct parent of KBI Global Investors (North America) Ltd (“KBIGI (North America) (previously known as Kleinwort Benson Investors International Ltd).

On the 31<sup>st</sup> August 2016 this transaction was completed whereby KBIGI (North America) is now part of the Amundi Group. Under the terms of the transaction it was required to change the name of the Registrant from Kleinwort Benson Investors International Ltd to KBI Global Investors (North America) Ltd and its direct parent Kleinwort Benson Investors Dublin Ltd to KBI Global Investors Ltd. In addition it the Fund names have also changed.

The registrant remains wholly owned by KBIGI, which in turn is 87.5% owned by Amundi Asset Management and 12.5% owned by Key Management. Amundi Asset Management is 100% owned by Amundi which is a publically traded company (on the French stock exchange) and majority owned by Crédit Agricole S.A. (approximately 74%).

The Form ADV has been amended to reflect the immediate changes resulting from the completion of this transaction.

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## ITEM 4: ADVISORY BUSINESS

### Firm Description

KBI Global Investors (North America) Ltd (“KBIGI (North America)” or “Registrant”), an Irish corporation, provides discretionary investment advisory services to collective investment vehicles (the “Funds”) and separately managed accounts (“Separate Accounts” and, collectively with the Funds, “Clients”). In providing these services, Registrant directs and manages the investment and reinvestment of assets in Client accounts. Registrant also provides non discretionary investment advisory services in the form of investment model provision.

In terms of ownership, Registrant is a wholly owned subsidiary of KBI Global Investors Ltd (“KBIGI”). KBIGI is 87.5% owned by Amundi Asset Management and 12.5% owned by Key Management. Amundi Asset Management is 100% owned by Amundi which is a publically traded company (on the French stock exchange) and majority owned by Crédit Agricole S.A. (approximately 74%).

### Types of Advisory Services

#### A. Funds

Registrant serves as the investment adviser to the KBI Investment Trust, and the KBI Delaware Statutory Trust, a Delaware Group Trust and Delaware Business Trust, respectively. Each of the KBI Investment Trust and the KBI Delaware Statutory Trust has a number of sub-funds, which are as follows:

#### Sub funds of the KBI Investment Trust

1. KBI Water Fund
2. KBI Renewable Energy Fund

#### Sub funds of the KBI Delaware Statutory Trust

1. KBI DST Water Fund
2. KBI DST Renewable Energy Fund
3. KBI DST GEES Fund
4. KBI DST Emerging Markets ESG Fund

Interests in the Funds are not registered under the Securities Act of 1933, as amended (the “Securities Act”), and such Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

#### B. Separate Accounts

Registrant provides the following strategies, with all sub-strategies referenced available on a Separate Account basis:

Strategy	1. Global Equity Strategies	2. Natural Resource Strategies	3. Irish Equities
Sub-Strategies	<ul style="list-style-type: none"><li>• Global Equity</li><li>• International Equity</li><li>• Emerging Markets Equity</li><li>• Emerging Markets Equity (ESG)</li><li>• Global Equity (ESG)</li><li>• North America Equity</li><li>• Global Small Cap Equity</li><li>• Emerging Market Small Cap Equity</li><li>• EAFE Small Cap Equity</li></ul>	<ul style="list-style-type: none"><li>• Water</li><li>• Energy Solutions</li><li>• Agribusiness</li><li>• Global Resource Solutions</li></ul>	<ul style="list-style-type: none"><li>• Irish Equity</li></ul>

Registrant provides investment advisory services in relation to the outlined strategies, tailored to the specific needs of each Separate Account Client. Prior to providing investment advisory services, an investment adviser representative will

ascertain each Separate Account Client's investment objective(s). Separate Account Clients may, at any time, impose reasonable restrictions, in writing, on Registrant's services.

As of December 31, 2015, Registrant had \$2.8bn USD in assets under management on a discretionary basis.

**C. Non Discretionary Investment Advisory Services**

Registrant also provides non discretionary investment advisory services in the form of the provision of investment model portfolios relating to its strategies to third party investment advisers. In these instances, Registrant does not have discretionary investment authority over individual security portfolios.

## ITEM 5: FEES AND COMPENSATION

### A. Funds

Compensation received by Registrant from the Funds is comprised of fees based on a percentage of assets under management and range from 0.65% to 0.85% per annum. Registrant may at its discretion reduce, waive, and/or rebate part or all of the advisory fees. These fees are accrued/charged within the NAV in line with normal market practice.

In addition to Registrant's fees, investors will bear indirectly the fees and expenses charged to the Funds. Those fees will vary, but typically include custodial and transaction costs paid to custodians, brokers, or any other third parties. In addition, investors in the KBI Investment Trust and the KBI Delaware Statutory Trust are subject to anti-dilution levies, which are costs associated with redemptions and subscriptions.

#### 1. Redemption Costs

In order to reflect certain brokerage and related transaction costs associated with a redemption and to protect existing investors in the Funds from having to bear such costs, the Funds may impose a transaction fee ("Withdrawal Charge") payable to the Funds and not to exceed a certain percentage of the net withdrawals from the Funds as follows;

Name	Maximum Amount
<b>Sub funds of "KBI Investment Trust"</b>	
KBI Water Fund	0.15% of the net withdrawals from the Fund
KBI Renewable Energy Fund	0.15% of the net withdrawals from the Fund
<b>Sub funds of "KBI Delaware Statutory Trust"</b>	
KBI DST Water Fund	0.15% of the net withdrawals from the Fund.
KBI DST Renewable Energy Fund	0.15% of the net withdrawals from the Fund.
KBI DST GESS Fund	0.15% of the net withdrawals from the Fund.
KBI DST Emerging Markets ESG Fund	0.55% of the net withdrawals from the Fund.

The Withdrawal Charge is automatically deducted from the redemption proceeds and is paid directly to the Funds, and not to Registrant.

#### 2. Subscriptions

In order to reflect certain brokerage and related transaction costs associated with converting the cash contributed by the investors in the Funds into suitable investments for the Fund, including contribution charges imposed by the Funds, and to protect existing investors from having to bear such costs, the Funds may impose a transaction fee ("Contribution Charge") payable to the Funds which will not exceed a certain percentage of the net cash contributions to the Funds as follows:

Name	Maximum Amount
<b>Sub funds of "KBI Investment Trust"</b>	
KBI Water Fund	0.15% of the net cash contributions to the Fund
KBI Renewable Energy Fund	0.15% of the net cash contributions to the Fund
<b>Sub funds of "KBI Delaware Statutory Trust"</b>	
KBI DST Water Fund	0.15% of the net cash contributions to the Fund
KBI DST Renewable Energy Fund	0.15% of the net cash contributions to the Fund
KBI DST GESS Fund	0.15% of the net cash contributions to the Fund.
KBI DST Emerging Markets ESG Fund	0.45% of the net cash contributions to the Fund

The Contribution Charge is automatically deducted from the subscription payment and is paid directly to the Fund, and not to Registrant.

Investors should review the Funds' respective private placement memoranda, subscription documents, and other offering materials (if any) for additional or supplementary information regarding the Funds as well as a complete description of the fees paid by the Funds.

As detailed in the Fund documentation, these fees can be reduced, waived or rebated by the Registrant.

## **B. Separate Accounts**

Registrant receives fees from Separate Account Clients based on a percentage of assets under management. Separate Account Clients are generally billed quarterly in arrears between 0.30% and 0.85% per annum of the account's assets under management as of the end of each calendar quarter. Fees vary based on product type and may be negotiable. The method of payment is agreed in advance. Registrant may offer performance fees but only when allowed by law.

Investment advisory services begin on the effective date of the Investment Management Agreement (the "Agreement"). For the first quarter, fees are adjusted pro rata based on the number of calendar days in the quarter that the Agreement is effective.

Brokerage commissions, custodial fees and service charges, stock transfer fees, mutual fund management fees and charges, and other similar charges incurred in connection with transactions are not considered part of management fees and will be paid separately by Separate Account Clients. Further information about brokerage fees is available under Item 12: Brokerage Practices.

Neither Registrant, nor its representatives accept compensation for the sale of securities or other investment products.

## **C. Non Discretionary Investment Advisory Services**

Registrant receives fees from non discretionary services based on the value of the assets in the strategy advised by third party investment advisers to whom the Registrant provides agreed upon investment model portfolios. The fees for such services are currently between 0.35% and 0.55% per annum.

# **ITEM 6: PERFORMANCE-BASED FEES**

As stated in the Fees and Compensation section above, Registrant may charge performance-based fees when allowed by law. A performance fee arrangement is a method of partly compensating Registrant on the basis of a share of the gains or appreciation of the assets under management. The fact that Registrant is partly compensated based on the success of investments held by the Client may create an incentive for Registrant to make investments that are riskier or more speculative than would be the case in the absence of such compensation. This risk is mitigated by the fact that all Client accounts for similar mandates are managed to one model and trading is centralized. Registrant employs robust risk management checks and internal controls that assist in preventing portfolio managers from taking undue risks. In addition, portfolio managers' variable compensation is based predominantly on relative investment performance for the relevant strategies (and not individual Client accounts) assessed over 1, 2 and 3 year rolling numbers.

Performance fee arrangements could also create an incentive for Registrant to favor higher fee-paying Clients over others in the allocation of investment opportunities. This risk is mitigated by the policies and procedures Registrant has in place to ensure that all Clients are treated fairly and equally. When Registrant determines that it would be appropriate for one or more Clients to participate in an investment opportunity, Registrant will seek to allocate interests to all participating Clients on a fair and equitable basis.

All performance fees charged by Registrant will be in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act").

## ITEM 7: TYPES OF CLIENTS

Registrant's Clients shall generally include pension plans, investment companies, charitable organizations, sub advisory relationships, endowments and foundations. Separate Account Clients must have a minimum account balance of \$5,000,000. A minimum of \$1,000,000 is required for an investment in the Funds. Both of these amounts may be waived at Registrant's sole discretion. In addition, investments in the Funds are generally limited to certain eligible investors, a complete description of which is available in each Fund's offering memorandum. Registrant also provides non discretionary advisory services in the form of investment model provision.



## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### **Global Equity Strategies (Global, International, Emerging Markets, North America, Emerging Markets ESG & Small Cap)**

Registrant promotes an investment style founded on using a systematic process to construct portfolios which have preferred characteristics that in the Registrant's view are significantly greater than the benchmark relevant MSCI index. The investment philosophy is derived from academic research that shows a correlation between high dividend payout and subsequent share price performance. The portfolios are rebalanced monthly.

All accounts following this investment strategy are reviewed on a monthly basis as part of the monthly investment process schedule.

### **Natural Resource Strategies (Water/ Energy Solutions/ Agribusiness/ Multi Theme)**

All research in relation to the Natural Resource Strategies is conducted by the Natural Resource Strategies team. One Portfolio Manager from the Natural Resource Strategies team is based in Boston, all others are based in Dublin.

The Registrant's Investment Process for the Natural Resource Strategies is best described in three steps:

1. Theme Definition
2. Stock selection into three concentrated portfolios—Water, Energy Solutions and Agribusiness
3. Strategy allocation across the three concentrated portfolios for the Multi Theme strategy

Fundamental analysis is used to assess such key components as financial statements, product mix, management, competitive positioning and valuation etc.

The Natural Resource Strategies are actively managed on a daily basis, and the team formally meets on a weekly basis to review relevant investment topics. The portfolios are reviewed at this meeting and normally on a rotating basis. The Portfolio Manager that is based in Boston attends the weekly meeting via video conference and also spends one week in every six in the Dublin office. For the avoidance of doubt all trading will continue to be carried out during KBIGI business hours.

### **Irish Equities**

The primary source of research the Registrant utilizes for Irish Equities is internal research performed by its lead Portfolio Manager, with input from the team of fundamental portfolio managers and the Chief Economist. Within the business the Registrant has an integrated team of 16 investment professionals.

The Chief Investment Officer has been managing equities for over 25 years with the majority of this period having direct responsibility for Irish and European equities, and is the lead Portfolio Manager for Irish Equities. Registrant has continuous dialogue with the management of companies through regular company meetings. In addition, it has ongoing dialogue with leading external research analysts and utilizes their written research and financial models in assessing companies.

The Registrant's emphasis on bottom-up analysis commences with the identification of investment opportunities that look attractive across a range of metrics, key ratios include; P/E ratio, EPS growth, price/book, dividend yield and a number of other valuation measures. The screens are then used to highlight investment opportunities which, in turn, are assessed through fundamental research. The Irish market by its very nature lends itself to bottom up stock picking. This however cannot be looked at in isolation and KBIGI (North America) believes that a strong discipline of top down macro economic analysis and input is also required as part of the process.

With an investable universe of no more than 60 companies the team have built up a considerable knowledge base on each company. Stock ideas are generated from research and regular contact with the companies in the universe of stocks.

The Irish Equities portfolios are actively managed on a daily basis, and formally reviewed monthly.

### **Risk**

Investing in securities involves risk of loss that Clients should be prepared to bear. An investment should only be made after consultation with independent qualified sources of investment and tax advice. No guarantee or representation is made that a strategy's investment objectives will be achieved and performance could be negatively impacted by a number of risks, including, but not limited to:

*General Investment Risk:* Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

*Concentration of Investments:* The strategies concentrate their investments in equity securities issued by companies active in the relevant sector (Global Equity/ Natural Resource Strategies/Irish Equities). As such, the strategies' assets may not be diversified. A downturn in these markets would have a larger impact on the strategies than on a portfolio that does not concentrate in these markets. Investment in a non-diversified strategy will generally entail greater risks than investment in a "diversified" strategy.

*Investments in Equity Securities Generally:* Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer.

*Market Risks:* Registrant's trading and investment strategies are subject to market risk. There can be no assurance that what is perceived as an investment opportunity will not, in fact, result in substantial losses as a result of one or more of a wide variety of factors. Certain general market conditions — for example, a reduction in the volatility or pricing inefficiencies of the markets in which the Fund is active — could materially reduce the strategies profit potential. Registrant might develop new investment strategies in the future, any such strategies may not be thoroughly tested before being employed and may not, in any event, be successful. The strategy can be successful only if Registrant is able to trade and invest successfully, and there can be no assurance that this will be the case.

*Currency Risks:* Clients' assets may be invested in equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, the prices of which are determined with reference to currencies other than the U.S. dollar. Foreign currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the foreign exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by U.S. or foreign governments or central banks, or by currency controls or political developments in the U.S. or abroad. To the extent unhedged, the value of the portfolios assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the portfolio's investments in the various local markets and currencies. Thus, a change in the value of the U.S. dollar compared to the other currencies in which Clients' makes their investments will affect the prices of Clients' securities in their local markets. Currencies in which Clients' assets are denominated also may be devalued against the U.S. dollar, resulting in a loss to the portfolio.

*Small Capitalization Securities:* Stocks of small cap companies tend to be more volatile and less liquid than stocks of larger companies. Small cap companies, as compared to larger companies, may have a shorter history of operations, may not have as great an ability to raise additional capital, may have a less diversified product line making them susceptible to market pressure and may have a smaller public market for their shares.

*Limited Capitalization Companies:* Registrant may invest a significant portion of Clients' assets in company securities with smaller market capitalizations. While the Registrant believes these companies often provide significant potential for appreciation, these securities involve higher risks in some respects than do investments in securities of large companies. For example, prices of small capitalization and even medium-capitalization securities are often more volatile than prices of large capitalization securities. The risk of bankruptcy or insolvency of many smaller capitalized companies (with the attendant losses to investors) is typically higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization securities, an investment in those securities may be illiquid.

*International Investing:* Investors should understand and consider carefully the greater risks involved in investing internationally. Investing in securities of non-U.S. issuers, positions in which generally are denominated in foreign currencies, involve both opportunities and risks not typically associated with investing in U.S. securities. These include: fluctuations in exchange rates of foreign currencies; less public information with respect to issuers of securities; different accounting, auditing and financial reporting standards; less liquidity and frequently greater price volatility in foreign markets than in the United States; imposition of foreign withholding and other taxes; and sometimes less advantageous legal, operational and financial protections applicable to foreign sub-custodial arrangements.

*Emerging Market Risks:* The Emerging Markets Equity strategy includes investments in emerging markets. Investments in securities of issuers located in emerging market countries can be more speculative than investments in securities of issuers

located in developed countries and are subject to certain special risks. The political and economic structures in many of these countries may be in their infancy and developing rapidly. Such countries may lack the social, political and economic characteristics of more developed countries. Certain of these countries have in the past failed to recognize private property rights and have at times nationalized and expropriated the assets of private companies. Some countries have inhibited the conversion of their currency to another. The currencies of certain emerging market countries have experienced devaluation relative to the U.S. dollar, and future devaluations may adversely affect the value of a Fund's assets denominated in such currencies. Many emerging markets have experienced substantial, and in some periods extremely high, rates of inflation for many years. Continued inflation may adversely affect the economies and securities markets of such countries. In addition, unanticipated political or social developments may affect the value of a Client's investments in these countries and the availability to Clients of additional investments in these countries. The small size, limited trading volume and relative inexperience of the securities markets in these countries may make a Client's investments in such countries illiquid and more volatile than investments in more developed countries, and Clients may be required to establish special custodial or other arrangements before making investments in these countries. There may be little financial or accounting information available with respect to issuers located in these countries, and it may be difficult as a result to assess the value or prospects of an investment in such issuers.

Investors should also refer to Fund offering documents for a complete description of the risks involved in a Fund investment.

## ITEM 9: DISCIPLINARY INFORMATION

Registrant and its management personnel have not been involved in any legal or disciplinary events that would be material to a Client's evaluation of the Company or its management personnel.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

Registrant's direct parent, KBIGI, is an institutional investment management company based in Dublin, Ireland. KBIGI is authorized by the Central Bank of Ireland under Regulation 11 European Communities (Markets in Financial Instruments) Regulations 2007 to conduct investment business. Its client base consists mainly of pension plans, charities and sub-advisory relationships located outside the United States. Following the completion of the Amundi transaction on the 31<sup>st</sup> August 2016, KBIGI is now 87.5% owned by Amundi Asset Management and 12.5% owned by Key Management. Amundi Asset Management is in turn 100% owned by Amundi which is listed on French Stock Exchange. Registrant has an arrangement with KBIGI pursuant to which KBIGI provides certain investment advisory and administration services to Registrant. All fees paid to KBIGI are paid by Registrant and not Clients.

Registrant has a supplemental list of related persons that are not listed in Part 1 Section 7.A of this ADV because: (1) Registrant has no business dealings with the related persons, (2) it does not conduct joint operations with the related persons, (3) it does not refer Clients or business to the related person and the related person does not refer prospective Clients or business to Registrant, (4) it does not share supervised persons or premises with the related persons, and (5) the related persons do not present any potential for conflict of interest with Registrant's Clients.

In addition, as outlined under Item 4, Registrant is the manager of the following trust vehicles:

- KBI INVESTMENT TRUST
- KBI DELAWARE STATUTORY TRUST

## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

### Code of Ethics

Registrant permits its employees to engage, on a limited basis, in personal securities transactions. To avoid any potential conflicts of interest involving personal trades, Registrant has adopted a Code of Ethics (the “Code”), which includes formal insider trading, information barriers, and personal security transactions policies and procedures. The Code requires, among other things, that employees:

- Place the integrity of the investment profession, the interests of Clients, and the interests of Registrant above one’s own personal interests;
- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, Clients, prospective Clients, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Adhere to the fundamental standard that he or she should not take inappropriate advantage of his or her position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with the Code;
- Use reasonable care when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Promote the integrity of, and uphold the rules governing, capital markets; and
- Comply with applicable provisions of the federal securities laws.

Registrant’s Code also requires employees to: (1) pre-clear certain personal securities transactions, (2) report personal securities transactions on at least a quarterly basis, and (3) provide Registrant with a detailed summary of holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

A copy of Registrant’s Code of Ethics shall be provided to any Client or prospective Client upon request.

### Participation or Interest in Client Transactions

Registrant does not buy any securities for itself and does not deal from its own account.

Registrant and its affiliates may organize and act as investment manager for other accounts and collective investment vehicles, including those pursuing similar or varied investment strategies. Potential conflicts of interest may arise in the allocation among such accounts and collective investment vehicles of investment opportunities due to differing incentive compensation rates or arrangements. Registrant will allocate investment opportunities among its Clients in a manner that is fair and equitable. However, Registrant may give advice, and take action, with respect to any of those accounts and collective investment vehicles that may differ from or be identical to the advice given, or the timing or nature of action taken, with respect to other Clients. Registrant, its affiliates and the principals, officers, directors, managers, members, employees and agents of Registrant and its affiliates may engage in transactions or investments, or cause or advise other Clients to engage in transactions or investments, that may differ from or be identical to the transactions or investments engaged in by Registrant for a Client’s account. There can be no assurance that an investment opportunity that comes to the attention of Registrant and its affiliates will be allocated wholly or primarily to one or more of Registrant’s Clients, with certain Clients being unable to participate in such investment opportunity or participating only on a limited basis, or with Clients not sharing the risks of the investment. A Client could be disadvantaged because of activities conducted by Registrant for other Clients.

### Personal Trading

Staff and principals of the Registrant, and its affiliates, are permitted to trade for their own accounts, and from time to time, staff may, subject to prior approval, buy or sell securities that Registrant trades for Client accounts. To avoid any potential conflicts of interest resulting from the personal dealing of Registrant’s principals and employees, and to avoid the misuse of material, non-public information, Registrant has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest, as required under Rule 204A-1 of the Advisers Act.

Registrant’s Code of Ethics governs the investment activities of its employees and any staff members of its affiliates who devote time to Registrant and are regarded as “dual-employees” for which there is a formal agreement in place. All employees have been classified as “Access Persons” and are required to comply with a number of reporting obligations regarding their personal account transactions. The Code of Ethics addresses prohibited transactions, black-out periods for transactions, and pre-clearance requirements. Personal dealing in securities is prohibited unless pre-cleared by the

Compliance Officer or his/her representative. The Code of Ethics also covers insider trading prohibitions. Employees are prohibited from engaging in any securities transactions for their own benefit or the benefit of others (including Clients) while in possession of material, non-public information concerning securities.

A copy of Registrant's Code of Ethics is available to any Client or prospective Client upon request.

## ITEM 12: BROKERAGE PRACTICES

Individual Client guidelines dictate limits on Registrant's investment or brokerage discretion.

The criteria used by Registrant in selecting broker-dealers include execution capabilities, research quality and relationship/commitment, as well as operational capabilities and the general preference of Registrant's Clients. Commissions paid are based on all of the above factors and on the conditions pertaining in each market, including the existence of fixed commission rates. Registrant will seek to negotiate the most favourable price and execution available for each transaction, which may not necessarily be the lowest price available, considering all aspects of the order. Consistent with its policies and Section 28(e) of the Securities Exchange Act of 1934, Registrant may give consideration to other factors, including the nature of the securities being traded; the size and complexity of the transactions; the desired timing of the trades; the activity existing and expected in the market for the particular security; confidentiality; research provided; and the execution, clearance and settlement capabilities and other relevant and appropriate services of the broker-dealer.

On occasion, a Separate Account Client may direct Registrant to effect securities transactions in the Client's account through a specific broker-dealer. This instruction shall be construed as a "directed brokerage arrangement." In such circumstances, the Separate Account Client is responsible for negotiating the terms and arrangements for their account with that broker-dealer. Registrant will not seek better execution services or prices from other broker-dealers and may not be able to aggregate the Client's transactions with orders for other Client accounts for execution through other broker-dealers. As a result, Registrant may not obtain best execution on behalf of a Client that enters a directed brokerage arrangement, and the Client may also pay materially disparate commissions, greater spreads or other transaction costs, or receive less favourable net prices on transactions for the account than would otherwise be the case. In order to facilitate directed brokerage arrangements while simultaneously seeking best execution, Registrant may elect to conduct "step-out" trades.

Orders for the same security entered on behalf of more than one Client may be aggregated (i.e., blocked or bunched) if the aggregation is in the best interests of all participating Clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. One exception is that subsequent orders may be aggregated with filled orders if the market price for the security has not materially changed. All Clients participating in an aggregated order shall receive the average price and, subject to minimum ticket charges, pay a pro rata portion of commissions.

The allocation of securities across Client accounts will be based on various factors, including: account size, diversification, cash availability, and, where appropriate, the value of having a round lot in the portfolio.

In the event an order is partially filled, the allocation shall be made in the best interests of all the Clients participating in the order, taking into account all relevant factors, including, but not limited to, the size of each Client's allocation, Clients' liquidity needs, and previous allocations. As a general practice, Registrant shall seek to ensure that each account gets a pro rata allocation based on its initial allocation. Whenever a pro rata allocation may not be reasonable (e.g., Clients receiving odd lots), Registrant may reallocate the order using an alternative method that it determines in good faith to be a fair allocation.

Clients with directed brokerage arrangements generally will be unable to participate in aggregated orders and will be precluded from receiving the benefits of an aggregated order, if any, which other Clients may receive. Registrant will generally execute aggregated orders for non-directed Client accounts before executing orders for Clients that direct brokerage. Non discretionary Clients, to whom Registrant provides model investment portfolios, will receive the model portfolio information at the same time as it is available to the Registrants discretionary Clients.

### **Research (Natural Resource Strategies & Irish Equities Only)**

When selecting broker-dealers, Registrant may choose broker-dealers that provide research services and, as a result, charge commissions that exceed those charged by other broker-dealers if Registrant views the commissions as reasonable in relation to the value of the brokerage and research services received. Research and evaluation services furnished by a broker-dealer through whom Registrant effects securities transactions may be used in servicing all\* of Registrant's accounts but not all such services may be used by Registrant in connection with the accounts who paid commissions to the broker-dealer providing such services. \*The Global Equity Strategies do not rely on brokers for research due to the systematic nature of the process.

Registrant receives a broad range of research services, including information on economies, industries, groups of securities and individual companies, statistical information, market data, accounting and tax law interpretations, political developments, pricing and appraisal services, credit analysis, risk management analysis, performance analysis and other information which may affect economies and/or securities pricing. Research services are received primarily in the form of written reports, telephone contacts and personal meetings with companies, security analysts, economists, governments, representatives of industry and other such spokespersons.

Registrant does not attempt to put a specific dollar value on the research or brokerage services of any broker-dealer or to allocate the relative costs or benefits of research believing that the research received is, in the aggregate, of assistance to Registrant in fulfilling its overall responsibilities to its Clients.

Neither the research services received nor the amount of brokerage given to a particular broker-dealer are made pursuant to any agreement or commitment with any of the selected broker-dealers that would bind Registrant to compensate the selected broker-dealer for research provided. However, Registrant does maintain an internal allocation procedure to identify those broker-dealers that have provided it with research, and endeavours to direct sufficient commissions to them to ensure continued receipt of the research Registrant believes is useful.

Any research or research services received by Registrant from brokers will fall within the "Safe Harbour" provisions of Section 28(e) of the Securities Exchange Act of 1934.

### **Soft Dollars**

As part of Registrant's periodic brokerage reviews, it takes steps to identify those broker-dealers that have provided Registrant with the most valuable research. Registrant endeavours to direct sufficient commissions to such brokers in order to ensure the continued receipt of research.

The Registrant currently has one Commission Sharing Arrangement ("CSA") with a broker-dealer and which is currently only used to pay for third party research. A CSA is a type of soft dollar arrangement and is monitored by the Registrant's Compliance team and Counterparty Review Committee (the "Committee"). The Compliance & Risk Unit periodically review the CSA's credit balances. If Registrant develops large credit balances, the Committee will consider whether Clients are paying unnecessarily high commissions. The Registrant does not permit deficit balances on the CSA and has appropriate controls in place to ensure this does not occur. The Committee shall monitor all products and services received pursuant to the CSA to ensure that the costs of such products and services are reasonable in relation to the value they provide. Clients may choose to opt out of participation in the CSA. This may result in certain clients benefitting from research that is purchased using commissions generated by other clients.

Registrant will only use soft dollars, including credits generated pursuant to a CSA, to obtain products and services that fall within the safe harbour provided by Section 28(e) of the Securities Exchange Act 1934.

Any new arrangements with broker-dealers regarding formal soft dollar or commission sharing arrangements must be approved in advance by the Chief Compliance Officer.

## **ITEM 13: REVIEW OF ACCOUNTS**

Generally, Client accounts are reviewed on a continuous basis by the relevant client service manager. These reviews are designed to monitor and analyze Client specific constraints and performance.

### **Guidelines Applicable to all strategies**

For each investment strategy, Registrant engages in periodic account reviews that monitor cash flow and market movements with the purpose of ensuring that no unacceptable deviation from policy or Client constraints occurs.

The responsible client service manager monitors each account in accordance with its investment objectives, policies and restrictions. Registrant generates reports daily that detail exceptions, which facilitate the account monitoring process.

The Performance Measurement and Risk Analysis Unit monitors the risk statistics of accounts for which specific risk control budgets have been imposed by Clients. This Unit monitors the risk statistics of Clients to ensure that no significant



deviations occur that are inconsistent with Registrant's house policy view. The Unit reports to the Risk Committee on a monthly basis and this meeting is attended by the following individuals:

1. CEO (Chairman)
2. Chief Investment Officer
3. Chief Compliance Officer (and/or delegate)
4. Chief Operations Officer/ Chief Financial Officer
5. Head of Business Development

#### **Nature and Frequency of Reports**

Registrant provides and issues all Separate Account Clients and Fund Investors with detailed reports at least quarterly, or more frequently if requested by the Client. Current and historic Client reports can be made available online via a secure web-site facility called "Cli-net".

Typically Registrant provides Clients with quarterly reports detailing their portfolio holdings, transactions, performance and a market commentary. In addition, Clients are usually supplied with a quarterly strategy factsheet. Registrant can provide compliance reporting on request. Registrant can tailor reports and reporting frequency to meet Client requirements.

#### **Frequency of Meetings**

It is Registrant's policy is to meet with Separate Account Clients and Fund Investors regularly to foster communication between the Client and Registrant to promote a full understanding of an account's requirements. Registrant is available to meet the trustees of an account annually or at the request of the account. Registrant may also hold conference calls with the trustees of the scheme to ensure that all investment issues, performance statistics and market views are explained to the trustees.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Registrant has entered into arrangements with third-party solicitors whereby Registrant will compensate these third parties for soliciting new Clients on behalf of Registrant. These agreements are formal written agreements subject to Rule 206(4)-3 under the Investment Advisers Act of 1940. The compensation and costs of these arrangements are borne by Registrant and not Clients. Solicitors warrant that they will provide prospective Clients with Registrant's disclosure documents at such time as is required in compliance with Rule 206(4)-3.

Registrant has also entered into an arrangement with Virtus whereby Registrant will compensate Virtus for soliciting new institutional and retail separate accounts on behalf of Registrant in the US. There is a formal agreement in place between the Registrant and Virtus, which is subject to Rule 206(4)-3 under the Investment Advisers Act 1940. The compensation and costs of these arrangements are borne by Registrant and not Clients. Virtus warrants that they will provide prospective Clients with Registrant's disclosure documents at such time as is required in compliance with Rule 206(4)-3.

## ITEM 15: CUSTODY

### **Separate Account Clients**

Registrant urges the client to carefully review account statements that should be provided directly by the client's appointed custodian. Where clients do not receive at least quarterly statements from their custodian, they should contact the custodian and failing that they should contact the Registrant. In addition to qualified custodians, where agreed with the Client, Registrant will provide quarterly statements to each Client. Registrant urges its Clients to carefully compare Registrant statements to the statements provided by the qualified custodian.

### **Fund Investors**

Investors in the Funds will not receive fund statements directly from qualified custodians. The Funds are subject to annual audits and audited financial statements shall be distributed to each investor within 120 days of each Fund's fiscal year end.

## ITEM 16: INVESTMENT DISCRETION

Registrant has full power and authority to purchase or sell stocks, bonds and other securities and to execute all related transactions to purchases and sales of securities without the Client's approval, unless specifically directed otherwise in writing by the Client.

Discretionary authority shall be authorized by the Client through the execution of the Investment Advisory Agreement with Registrant.

Except to the extent the Client directs otherwise, Registrant will use its discretion in recommending a broker or dealer and in effecting transactions in securities and all transactions related to the purchase and sale of securities.

For Separate Accounts, the Client approves the custodian to be used and the commission rates paid to the custodian. Registrant does not receive any portion of the transaction fees or commissions paid by the Client to the custodian on certain trades.

## ITEM 17: VOTING CLIENT SECURITIES

Registrant votes proxies on behalf of all Clients unless the Client instructs that they will retain proxy voting responsibility. Registrant shall only vote proxies in the best interest of the Client. Registrant uses the services of ISS to assist it in voting proxies.

A copy of each proxy statement and a record of how each vote was cast shall be maintained and preserved by ISS for at least five years. Voting details can be provided to Clients on request.

## ITEM 18: FINANCIAL INFORMATION

Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain Client accounts. Registrant has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts. Registrant has not been the subject of a bankruptcy petition.