



## ITEM 1 – Cover Page

**Trinity Street Asset Management LLP  
Form ADV Part 2A-Disclosure Brochure  
October 29, 2019**

*This brochure provides information about the qualifications and business practices of Trinity Street Asset Management LLP (“Trinity Street” or the “firm”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

*If you have any questions about the contents of this brochure, please contact us at 44-207-495-9110 or [ct@trinitystreetam.com](mailto:ct@trinitystreetam.com).*

*The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Trinity Street does not comply with the Investment Advisers Act of 1940, as amended, with regard to its non U.S. clients.*

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

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

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

## **Item 2 - Material Changes**

The following summary only discloses material changes made to the brochure filed for the annual update dated June 25, 2019:

Item 5, Fees and Compensation was updated to reflect the new fee terms in place from 1 October 2019. In particular, Trinity Street has:

- (i) reduced the fixed fee for managed account clients investing in Trinity Street's Global Strategy,
- (ii) reduced the fixed fee for managed account clients investing in Trinity Street's EAFE Strategy
- (iii) reduced the management fee for investors in the Trinity Street Commingled EAFE Equity fund. For the Trinity Street Commingled Global Equity Fund the Annual Management fee remains the same.

There have been no other material changes made to the brochure dated June 25, 2019.

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## Item 4 - Advisory Business

### Overview of the Firm

Trinity Street Asset Management LLP (“Trinity Street”, the “firm”, “we”, “our” or “us”) is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Trinity Street was founded as Bruce Nelson Capital in 2003 and registered with the SEC as an investment adviser on March 22, 2010. Trinity Street is based in London, United Kingdom, where it has been authorised and regulated by the U.K. Financial Conduct Authority (or its predecessor regulator, the Financial Services Authority) since 2003.

Trinity Street is a limited liability partnership which was established in 2002 under UK law. The controlling partner is Bruce Nelson Cayman Ltd. Richard Bruce together with his wife Claire Bruce own the majority of the shares of Bruce Nelson Cayman Ltd., and Edward Bell together with his wife Catherine Bell also own shares of Bruce Nelson Cayman Ltd. Richard Bruce and Edward Bell serve on Trinity Street’s management board and are responsible for the strategic decisions with respect to Trinity Street.

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

Our advisory business can primarily be described as follows:

- 1. Our philosophy:** We focus our research on companies experiencing periods of rapid change because we believe this is where disruptions to normal market pricing mechanisms are most likely to be found. We seek to identify pricing anomalies over the long term. We believe the key advantage to investing in these types of companies is that “change” is a constant in business and markets and is ever-present, although where change takes place is constantly moving. We believe that “Under-Recognised Change” arises irrespective of whether value, growth or other trends are generally impacting markets and can therefore be seen as a consistent source of alpha.
- 2. Specialisation:** We engage in global and EAFE equity investing by managing portfolios generally consisting of 30 to 40 stocks. Unlike many other fund managers who may seek to balance the risk of their global equity strategy underperforming by launching alternative strategies, our firm-wide strategy relies on global equity investing.
- 3. Our people:** Each of our portfolio managers has considerable experience in global investing within highly regarded financial institutions. Trinity Street is the product of deep and intensive thought about why large institutions tend to underperform and what can be done about it. One of the most important aspects of this is creating an environment in which a team of experienced people can work together to seek to create a coherent, alpha-generating equity portfolio from a large equity universe.

### Investment Services

Trinity Street provides investment management services on a discretionary basis to its clients, including private investment funds and separately managed accounts set up for investment by institutional investors, such as employee benefit plans, endowment funds, foundations and religious organizations as well as individual investors. In performing investment advisory services for its clients, Trinity Street acts as a fiduciary and has a duty to act in the best interests of the client.

The funds are not tailored to the needs of any particular private fund investor. Investments are made in accordance with the stated investment objectives, strategies, restrictions and guidelines found in the relevant fund's confidential private offering memorandum. For the separately managed account clients, Trinity Street makes investments in accordance with mutually agreed upon written investment guidelines. Trinity Street has established procedures and controls to help ensure compliance with each client's investment guidelines and any client-imposed restrictions.

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

### **Assets under Management**

As of May 31, 2019, Trinity Street managed approximately \$ 3,901,133,971.80 in regulatory assets under management on a discretionary basis.

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

### **Client Billing Practices**

Trinity Street typically charges each client a management fee. We negotiate these fees with clients, and not all clients pay the fee listed in the schedules below. Our standard fee for investment management services varies based on the investment strategy being employed, a particular client's profile, or as otherwise negotiated with the client or its intermediaries. These differences depend on various factors such as, among other things, the type of client, the client's asset levels, the existence of an intermediary relationship, a pre-existing relationship, the amount of servicing required for the client's account, and the inception date of an account, among other things. Management fees are generally payable quarterly in arrears and are computed based on the market value of the underlying fund investor's capital account or the client's investment portfolio at the end of the billing period. Fees are pro-rated on a daily basis for a portion of any quarterly fee period. Management fees are generally charged in accordance with the following fee schedule:

### **GLOBAL Strategy**

Fees have two components: A base fee **plus** a performance component. The base fee schedule for managed account clients investing in the Global Strategy is as follows:

Amount	Fixed fee (bps)
The first USD 50 Million	70
The next USD 50 Million and above	50

**Plus** a performance component: 20% of the excess relative performance against the benchmark. There is a high water mark relative to the benchmark.

For the Trinity Street Commingled Global Equity Fund LP – investors are subject to an annual management fee equal to 1%, **Plus**: 20% of the excess relative performance against the benchmark. There is a high water mark relative to the benchmark.

## EAFE Strategy

Managed account clients investing in the EAFE Strategy may elect one of the following fee schedules:

### Schedule 1

Amount	Fixed fee (bps)
The first USD 50 Million	70
The next USD 50 Million and above	50

**Plus** a performance component: 20% of the excess relative performance against the benchmark. There is a high water mark relative to the benchmark.

**OR**

### Schedule 2

Amount	Fixed fee (bps)
Total amount less than \$50 million	90 on total amount
Total amount greater than \$50 million and up to \$100 million	80 on total amount
Total amount greater than \$100 million	80 on 1 <sup>st</sup> \$100 million, 70 on the balance

For the Trinity Street Commingled EAFE Equity Fund. LP, investors are subject to the fee table in Schedule 2 above.

## Separately Managed Accounts

Trinity Street receives a specified management fee from each separately managed account pursuant to the investment management agreement. Separately managed account fees are invoiced. Trinity Street reserves the right to negotiate fees. Some clients pay more or less than others depending on certain factors, including but not limited to, the type and size of the account.

## Commingled Funds

Trinity Street receives management fees from the funds as set out in the relevant fund's confidential private offering memorandum. Trinity Street reserves the right to negotiate fees. Some funds and/or fund investors pay more or less than others depending on certain factors, including but not limited to, the type and size of the investment. The fees that are charged are specified in the investment management agreement between Trinity Street and each fund.

## European Funds

Trinity Street is the investment advisor to a fund that was incorporated in Luxembourg as an open-ended investment company qualifying as a UCITS (Undertaking for Collective Investment in Transferable Securities). The fund merged with an Irish ICAV on 5 October 2018. This fund is

not available to US investors. The fund's fee and expense schedule is found in the fund's prospectus.

### **Sub-advisory Arrangements**

Trinity Street has been engaged by HGK Asset Management Inc (CRD# 104870) to manage a number of separately managed accounts and to act as investment manager for a fund sponsored by HGK Asset Management Inc. As compensation for serving as sub-adviser or investment manager to these separately managed accounts and fund, Trinity Street receives a portion of the management fees and performance fees received by HGK Asset Management Inc.

### **Termination of Accounts; Withdrawals**

If a new client account is established during a quarter or a client makes an addition to its account during a quarter, the management fee will be prorated. If a client's investment management agreement is terminated or a withdrawal is made from a client account during a quarter, the management fee payable to Trinity Street will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the quarter in which the investment management arrangement was in effect or such amount was in the account. Similarly, management fees for the funds will be prorated for any period that is less than a quarter.

### **Performance Fees or Allocations**

In addition to management fees, for a number of accounts Trinity Street charges a performance-based fee or allocation. When calculating net profits, performance-based fees or allocations are based on benchmark relative returns and are subject to a high water mark.

### **Other Fees and Expenses**

Clients may pay other expenses in addition to the fees paid to Trinity Street. For example, clients may pay costs such as brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees and electronic fund fees, and other fees and taxes charged to security transactions which are unrelated to the fees collected by Trinity Street. In addition, the funds bear fund legal, compliance, audit and third-party accounting expenses, fees of the fund administrator, fees and expenses related to various filings (or portions thereof) made in connection with managing the funds' portfolios, organizational expenses, research fees and expenses, bank service fees and other expenses reasonably related to the purchase, sale or transmittal of assets of the funds.

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

### **Performance-Based Fees**

As noted in Item 5, for certain accounts, Trinity Street receives performance-based fees for its investment management services. Such performance-based compensation may create an incentive for Trinity Street to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, Trinity Street's investment personnel are typically compensated on a basis that includes a performance-based component. Trinity Street and its investment personnel, including investment personnel that share in performance-based compensation, manage both client accounts that are charged both management fees and performance-based compensation and accounts that are charged only management fees. In addition, certain client accounts may be subject to higher management fees or more favourable performance-based compensation arrangements than other accounts. When Trinity Street and its investment personnel manage more than one client account, a potential exists for one client account to be favoured over another client account.



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

Trinity Street has adopted policies and procedures to seek to mitigate possible inherent conflicts associated with managing accounts for multiple clients. Trinity Street has adopted trading and allocation policies designed to seek to ensure that its side-by-side management of accounts with different types of fees is consistent with its fiduciary responsibilities to its clients, and that no client account is systematically favoured over another. These policies require Trinity Street to consider each client's investment objectives and profile and make allocations based on suitability. Where Trinity Street deems an investment opportunity suitable for more than one client, Trinity Street's policy is to allocate the opportunity equitably in order to seek to ensure that clients have equal access to the same quality and quantity of investment opportunities, but in determining such allocations, Trinity Street considers a variety of factors and principles, as further described in Item 12. Accounts are regularly reviewed by the compliance department to ensure these policies are closely followed and that buy and sell opportunities are allocated fairly among client accounts.

## **Item 7 - Types of Clients**

The clients of Trinity Street are the funds and the separately managed accounts.

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

Investors in the funds include institutional investors meeting the terms of the exceptions and exemptions under which the funds operate. Any required minimum investment in any fund is set forth in the fund's offering memorandum.

Minimum account size is generally \$25 million for opening any separately managed account, although Trinity Street reserves the right in its sole discretion to accept client accounts with fewer initial assets.

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

The main methods of analysis are based on the following:

- Trinity Street's proprietary research library consists of a significant number of company spreadsheets. These are company specific research models dating back to 1991 across many different markets. The objective of using a standardised template is to enable us to quantify the extent to which our view differs from the market and to ensure that we look at each stock in the same way. The portfolio managers see this as a crucial investment discipline because it forces them to compare each global stock idea along the same parameters.
- The portfolio managers' company visiting programme. The portfolio managers have logged contacts with hundreds of companies per annum, including the suppliers, clients and competitors of companies that they are researching. These company meetings are used to refine models on companies and also generate further potential investment ideas.
- The in-depth analysis of possible Under-Recognized Change opportunities: Here, the firm undertakes extremely in-depth analysis of possible investment opportunities,

including divisional level modelling if appropriate, often carried out with direct inputs from the company (garnered in company visits and phone calls). The exact content of the model is flexible and depends on the type of company being analysed, but the outputs are usually much the same and include proprietary forecasts of revenues, cash flows, earnings, etc., to a degree of detail that enables them to compare their view with the consensus view prevailing in the market, on which the company's stock price is based.

While the portfolio managers have a significant amount of experience in global investing, it is important to note that no level of experience can guarantee a correct valuation of a company. Equally, unexpected events may occur internally or externally to change a company's value in a way that may be positive or negative to the company's stock price. This means that the price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. These methods of analysis are based on Trinity Street's main investment strategy, which focuses entirely on bottom-up fundamental research of companies rapidly changing fundamentals. Trinity Street operates with the view that equity markets are usually efficient and provide an adequate mechanism for valuing companies and taking into account all of the company-specific data and external influences on such valuations. However, this pricing mechanism can be interrupted when a company is undergoing rapid and fundamental change. On occasions, the market can be slow to interpret the impact and consequences of such change, sometimes leading to major mis-pricings. Consequently, the firm focuses on rapidly-changing companies, to discern whether the consequences of the change taking place are "under-recognised" by brokers' forecasts and/or the market valuation of the company meaning that the company may be undervalued. All of the stocks in our portfolios have a clearly identified Under-Recognised Change factor. It takes place irrespective of whether value, growth or other trends are generally impacting markets. Therefore, we believe that Under-Recognised Change can serve as a consistent source of alpha in many market environments.

### **Risk of Loss**

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

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

- **Equity Market Risk:** Overall stock market risks may adversely affect the value of the investments in equity strategies. Factors such as global economic growth and market conditions, interest rates and political events affect the equity markets.
- **Company Risk:** Individual stocks may decline in value. Additionally, an adverse event, such as an unfavourable earnings report, may depress the value of a particular company's stock.
- **Management Risk:** Our judgements about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole.
- **Counterparty Risk:** Counterparty risk is the risk that the other party or parties to an agreement or a participant to a transaction, such as a broker or a custodian, might

default on a contract or fail to perform by failing to pay amounts due or failing to fulfil the obligations of the contract or transaction.

- Economic and Market Events Risk: Global economies and financial markets are becoming increasingly interconnected and conditions and events in one country, region or financial market may adversely affect the value of a security of an issuer located in another country, region or financial market.
- Government Intervention and Regulation of Financial Markets: Changes in government regulation may adversely affect the value of a security.
- Emerging Markets: There are greater risks associated with investments in securities of issuers located in less developed countries than investments in securities of issuers located in developed markets. Political risk for many developing countries is a significant factor. During certain social and political circumstances, governments may be involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. In comparison to more developed markets, trading volumes in emerging markets may be lower, which can result in a lack of liquidity and greater price volatility.

In addition, there are risks associated with Trinity Street's advisory business:

- Cybersecurity Risk: The information and technology systems of Trinity Street and of key service providers to Trinity Street and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Trinity Street has implemented various measures designed to seek to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Trinity Street to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Trinity Street or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.
- Risk Management Failures: Although Trinity Street attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by Trinity Street, are based on historical market behaviour, but future market behaviour may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, Trinity Street may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.
- Systems and Operational Risk: Trinity Street relies on certain financial, accounting, data processing and other operational systems and services that are employed by Trinity Street and/or by third-party service providers, including the third-party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, Trinity Street and its clients could be

exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by Trinity Street and third-party service providers to safeguard information in these systems, Trinity Street, clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

## **Item 9 - Disciplinary Information**

By hard copy letter dated 19 June 2017, the financial services regulator in South Korea, the Korean Financial Services Commission ("FSC"), notified Trinity Street it intended to fine Trinity Street 7,500,000 Korean Won (approximately \$6,500). A summary of the matter is below.

In February 2016, Trinity Street placed two sell orders in a Korean security for a client which unintentionally resulted in short positions being taken; which breached Korean short selling restrictions. In 2014, the custodian for the client effected a restructuring for the client setting up a new Investment Registration Certificate ("IRC") account which Trinity Street was advised to use going forward. Trinity Street was not aware that holdings prior to the restructuring were still held on an old IRC account (having been advised that the intention was to transfer the legacy account to the new IRC number). Holdings information did not differentiate between the two IRC accounts. As soon as the short positions were identified, buy trades were effected to remedy the position, this being the only available solution at the time. Having reviewed the matter in detail, Trinity Street is satisfied that there were no systematic issues. This is the first regulatory sanction to which Trinity Street has been subject and the fine has been paid. Trinity Street and its management consider the sanction regrettable and remain committed to the approach that it has held since inception, to seek to comply at all times and in all respects with the regulatory regimes to which it is subject.

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

As described in Item 5, Trinity Street acts as sub-advisor and provides investment management services with respect to clients of HGK Asset Management Inc. HGK Asset Management Inc holds shares of Bruce Nelson Cayman Limited, which is the controlling partner of Trinity Street.

Certain grants of special rights may also be made for investors in the funds through separate side letter agreements. Although certain investors may invest in the funds with different material terms, Trinity Street will only offer such terms if it believes other investors will not be materially disadvantaged.

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

### **Code of Ethics**

Trinity Street has adopted a Code of Ethics (the “Code”) that complies with SEC Rule 204A-1 under the Advisers Act. Trinity Street will provide a copy of the Code to any client or prospective client upon request.

The Code sets forth standards of business conduct for the firm and its employees, access persons and other individuals involved in the day-to-day business of Trinity Street (collectively, the “Members of Staff”). The Code is based on the principle that the firm has a fiduciary duty to act in the best interests of Trinity Street’s clients.

The Code sets forth record keeping requirements and the responsibilities of Trinity Street’s Chief Compliance Officer (the “CCO”) with respect to the review of personal securities transactions, personal holdings and trading reports and monitoring compliance with the Code.

Members of Staff must comply with federal securities laws, certify that they have read and understand the Code and are encouraged to report any violations of the Code to the CCO.

The Code requires all Members of Staff to acknowledge that they have read and understand the Code and reaffirm such acknowledgment at least annually.

### **Personal Securities**

Members of Staff are required to submit to the CCO an initial report and annual reports listing the reportable securities in their personal accounts and quarterly reports showing all transactions in reportable securities in their personal accounts, subject to certain exceptions.

All personal transactions involving reportable securities (including private placements and initial public offerings), other than those specifically exempted by the Code, are required to be preapproved by the CCO, or his delegate, who will generally deny permission to execute the transaction unless the CCO is satisfied that there is no conflict of interest with the interests of clients in the case concerned. Among other things, the Code exempts from the preapproval requirement transactions involving certain securities that the CCO has determined are not suitable investments for Trinity Street’s clients.

Trinity Street, in the course of its investment management and other activities, may come into possession of confidential or material non-public information about issuers, including issuers in which Trinity Street or its related persons have invested or seek to invest on behalf of clients. Members of Staff are prohibited from trading either in their personal accounts or client accounts on the basis of material non-public information.

### **Gifts and Business Entertainment**

The Code includes policies and procedures regarding the giving and receiving of gifts and business entertainment between the firm’s employees and certain third parties (e.g., vendors, broker-dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. In general, Trinity Street limits the amount of gifts and business entertainment that may be provided by its staff to these parties, and requires the preapproval of the CCO with respect to any gift, inducement or entertainment offered or received that is valued above such limits. In addition, even gifts of nominal value must be approved in writing by the CCO if they involve persons associated with pension plan sponsors, including state, municipal

and other governmental plans. All Members of Staff are required to report to the CCO any gifts, inducements or entertainment offered or received.

### **Outside Business Activities**

The Code requires Members of Staff to obtain the CCO's written approval before taking up any paid or unpaid external charitable, political or business activities. Generally, Members of Staff may not serve as an executive officer or director or trustee of any business entity with which Trinity Street conducts business or in whose securities Trinity Street may invest without pre-approval in writing from the CCO. Members of Staff are required to disclose to Trinity Street in writing all benefits, including monetary compensation, which they receive for such outside business activities.

### **Political Contributions**

The Code prohibits its Members of Staff from making any political contributions, from any fundraising or engaging in any political activity in the U.S., the UK or any other jurisdiction.

## **Item 12 - Brokerage Practices**

### **Trading**

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

### **Brokerage Discretion and Selection**

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

Areas considered in the selection of brokers include the following (as appropriate in the particular case being considered):

- Regulatory status;
- Financial status;
- Ability to maintain the confidentiality of trading intentions;
- Accuracy and timeliness and certainty of execution, settlement, clearance and error / dispute resolution processes;
- Liquidity of the securities traded;
- Block trading and block positioning capabilities;
- Ability to place trades in difficult market environments;
- Expertise as it relates to specific securities;
- Market intelligence;
- On-going individual assessment of whether best execution achieved with a specific broker – e.g. retrospective trade review against comparable market trades;
- Efficient execution and competence in supporting the trade execution process
- Depth of client base;
- Access to primary market issuance;

- Understanding of Trinity Street's investment process;
- Ability to manage conflicts of interest;
- Business reputation;
- Ongoing reliability; and
- Overall costs of a trade including commissions, mark-ups, markdowns or spreads.

The firm ordinarily reviews its active broker list on a periodic basis and assesses each broker on a combination of factors including those listed above. Any brokerage services furnished by brokers through which the firm effects securities transactions may be used by the firm in advising other clients and funds and not necessarily the same investment portfolio.

### **Research and Soft Dollars**

Research services may include information or analysis relating to companies, sectors, countries and other services that may assist the firm in its investment decision. As a UK investment manager impacted by "MiFID II" regulations, Trinity Street has set up a research payment account and the research budget is agreed upon with the client, and trade execution is priced separately with the broker (research providers may also be brokers but the arrangements for research are separate from broking activities). These arrangements have unbundled the cost of research and executions services required by the UK Financial Conduct Authority and will be consistent with Section 28(e) of the Securities Exchange Act of 1934 (including the SIFMA AMG No-Action Letter dated October 26, 2017) which permits the use of "soft dollars" in certain circumstances. The availability and quality of research provided are assessed by the firm periodically. Services that assist Trinity Street solely in its performance of non-research related functions will be paid by the firm.

### **Best Execution**

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

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

### **Block Trading of Client Orders**

Trinity Street will only aggregate client orders (i.e., engage in block trading) when it is unlikely that the aggregation of orders will work to the disadvantage of any client whose order is aggregated. By aggregating orders, clients may be able to benefit from a better trade price, lower transaction costs or overall better transaction terms achieved through larger, bulk transactions.

When aggregating client orders, management's considerations include but are not limited to the following:

- No advisory account is favoured over any other account. Clients participating in an aggregated order shall receive an average share price with other transaction costs shared on a pro-rata basis;
- The firm will not aggregate transactions unless block trading is consistent with the firm's duty to seek best execution and the terms of the firm's investment management agreement with each client for which trades are being aggregated;

- Before placing a blocked trade, the portfolio manager will specify the participating client accounts and the intended allocation among those clients;
- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the terms of the order; if the order is partially filled, it will be allocated on a pro-rata basis (subject to rounding) within the same terms of the order; provided, however, that if the partial execution results in a particular client's allocation being de minimis in nature, that client may be excluded from the investment opportunity; and
- The firm's books and records will separately reflect the orders for each client account that are aggregated, as well as the securities bought and sold for and held by that account.

### **Trade Allocation**

Aggregated trades will be allocated on a basis believed to be fair and equitable; no participating client will receive preferential treatment over any other. Trinity Street will strive to ensure that no participating client will be systematically disadvantaged by the aggregation, placement or allocation of trades.

When allocating trades Trinity Street will take into consideration each client's investment objectives and profile and will make allocations based on suitability. Where the firm deems an investment opportunity suitable for more than one client, Trinity Street will allocate such investment opportunity equitably in order to ensure that clients have equal access to the same quality and quantity of investment opportunities, but in determining such allocations will consider a variety of factors and principles, including, but not limited to the following:

- Legal and regulatory restrictions affecting the participation rates for any clients;
- Each client's own investment horizon and restrictions;
- Liquidity preference or availability;
- Other investment opportunities that may be available to a client;
- Desired portfolio diversification;
- Target return;
- Risk and/or volatility tolerance of the client;
- Size of the investment and minimum investment sizes – for example, where allocation of an investment opportunity would be insufficient to make up a meaningful portion of a client's portfolio, such client may be excluded from the investment opportunity due to the de minimis nature of the allocation; and
- The need to rebalance positions held by any client in an investment due to capital inflows or outflows.

### **Error Correction Trades**

From time to time, trading errors may occur. If it appears that a trade error has occurred, the Head of Operations, together with the CCO, will investigate the circumstances surrounding the error and will determine an appropriate resolution in accordance with Trinity Street's policy. Trinity Street will correct trade errors as soon as practicable and will be responsible for its own trade errors (but not the trade errors of other persons, including third-party brokers and custodians, unless expressly agreed). If a trade error (other than a trade misallocation) is discovered on the trade date or thereafter, the trade will be broken, if possible. Generally, where Trinity Street has determined that it bears responsibility for a trade error, it will seek to make the client whole. Trinity Street will bear the costs associated with correcting the trade error and will generally reimburse the client for any losses suffered and, in the event that the client made a financial gain as a result of any trade error, the client will be entitled to retain such gain. Notwithstanding the foregoing, if, after a thorough investigation and evaluation of the circumstances surrounding a trade error, the CCO concludes that exceptional circumstances



have caused the error, the CCO has discretion to resolve the error in a manner other than as described above.

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

### **Account Reviews**

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

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

### **Client Reporting**

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

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

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

### **Relationships with Consultants**

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

Trinity Street has extensive dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships. Specifically, we provide consultants with information on portfolios we manage for our mutual clients, pursuant

to our clients' directions. Trinity Street also provides information on our investment styles to consultants, who use that information in connection with searches they conduct for their clients.

### **Compensation for Client Referrals**

If a client is referred to us by a solicitor, we will pay a referral fee to the extent permitted under applicable SEC rules. The referral fee is paid entirely from our investment advisory fee; the client does not pay an added fee. The solicitor is required to inform the client about his relationship with Trinity Street at the time of solicitation and deliver to the client a copy of this Form ADV and a written disclosure explaining the terms of the arrangement.

Trinity Street's only active arrangement is with Centenium Advisors. While no longer a solicitor for the firm, Centenium Advisors continues to receive finder's fees for existing introductions.

## **Item 15 – Custody**

Trinity Street is subject to SEC Rule 206(4)-2 under the Advisers Act and is deemed to have custody over certain fund assets as a result of its related persons serving as the general partners of limited partnerships. The firm complies with the custody rule by maintaining all assets physically at third-party qualified custodians and by requiring any US fund to be subject to an annual audit by an independent auditing firm and meeting the other conditions of the pooled vehicle annual audit provision.

## **Item 16 – Investment Discretion**

At the outset of the advisory relationship, Trinity Street requires clients to execute and deliver limited powers of attorney authorizing the firm to act on behalf of the client, in such form as may be required by various brokerage firms, banks, etc. Trinity Street obtains discretionary investment authority from the client through the execution of an investment management agreement at the outset of the advisory relationship which sets forth the scope of Trinity Street's discretion. Trinity Street exercises investment management discretion in a manner consistent with the stated investment objectives for the particular client account and in accordance with any investment guidelines as may be set forth and provided to Trinity Street in writing.

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

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

## Item 17 - Voting Considerations

Trinity Street considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its clients to recognize the fiduciary responsibility it assumes in acting as investment adviser. The firm also recognizes the need to exercise its proxy voting obligations with a view towards seeking to enhance its clients' long term investment values. To help achieve its objectives, it is Trinity Street's policy, subject to the considerations described below, to use its best efforts to vote proxies arising on all shares held on behalf of its clients.

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

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

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

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

- Trinity Street may delegate the voting decision for such proxy proposal to an independent third party;
- Trinity Street may delegate the voting decision to an independent committee of partners, members, directors or other representatives of the client, as applicable;
- Trinity Street may inform the investors or account of the conflict of interest and obtain consent to (majority consent, in the case of a fund) vote the proxy as recommended by the firm; or
- Trinity Street may obtain approval of the decision from the CCO.

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

Trinity Street and its Members of Staff generally do not invest in the same securities that Trinity Street recommends to clients and therefore does not anticipate a situation where there would be a conflict between maximizing long-term investment returns for clients and the interests of the firm or its Members of Staff. If such a situation should arise, the senior management will independently review and evaluate the proxy proposal.

## **Item 18 – Financial Information**

This item is not applicable.

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