

**Form ADV Part 2A**

**The Pacific Group Limited**

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This Form ADV Part 2A ("Brochure") provides information about the qualifications and business practices of The Pacific Group Limited ("PGL"). If you have any questions about the contents of this Brochure, please contact us at [pag@pacgrp.com](mailto:pag@pacgrp.com). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC"), the Hong Kong Securities and Futures Commission ("SFC") or by any other securities authority or regulator, and registration with any regulator does not imply a certain level of skill or training.

Any reference to private funds within this brochure is for informational purposes only, and is intended to address legally required disclosures about our business practices and conflicts associated with managing private funds. Only qualified investors are able to invest in these funds, and they should read the fund's prospectus or other offering material prior to doing so. No reference within this brochure should be viewed as an offer to sell or an offer to buy an interest in private funds.

PGL is authorized and regulated in Hong Kong by the SFC.

Throughout this Brochure, "we", "us" or "our" refers to PGL and "client", "you" or "your" refers to the client or prospective client.

**This Brochure is not an offer to sell nor a solicitation to invest in any security described herein.**

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

## ITEM 2 – MATERIAL CHANGES

This is an annual amendment to our Brochure. Our previous Brochure was filed on 31 March 2019.

This item discusses any material changes that have been made to our Brochure and provides clients with a summary of any such changes.

October 2018, we made a decision to return capital to investors of The Greater Asian Hedge Fund and all investors of the fund were paid before end of January 2019.

We will file with the SEC and provide to our clients without charge a new Brochure as necessary based on material changes or new information, at any time, as well as our annual amendment.

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## ITEM 4 – ADVISORY BUSINESS

### Background

The Pacific Group Limited (“PGL”), organized and based in Hong Kong, is an asset management firm that invests across global markets and a range of investment instruments, but with a focus on the Asia-Pacific region. PGL was founded in 1991 and is a member of The Pacific Alliance Capital Group of Companies (“PACG”). PACG was created to exploit investment opportunities in the Asia-Pacific region. William S. Kaye, the founder of PACG, recognized China’s enormous potential at an early stage. In 1991, Mr. Kaye left a successful Wall Street career to found PACG and has served as the Senior Managing Director of PACG, which has been providing both public and private investment services since that time.

Under the leadership of Mr. Kaye, PGL commenced offering its services as an Asian hedge fund manager in 1992, launching the Asian Hedge Fund in that year. The successful run of this product led to the launch of The Greater Asian Hedge Fund in 2000. Mr. Kaye has served as Chief Investment Officer of The Greater Asian Hedge Fund, LP as well as its predecessor, The Asian Hedge Fund, LP.

Through its subsidiary company, Pacific Alliance Group Limited (“PAG”) pioneered China direct investment with the formation of Asian Strategic Investments Corporation (“ASIMCO”) in 1993. This operation consolidated the Group’s China-oriented private equity activities, investing approximately US\$380 million in auto component and brewing businesses. Partners in this business included Tiger Management Corporation, Trust Company of the West and GE Pension. PAG exited these investments by means of restructuring agreement among partners in early 1998 and does not currently manage a private equity fund.

PGL has continued its public and private investing into the 2000s and 2010s, providing investment management services to qualified investors in the Hedge Fund as well as in separately managed accounts.

PGL is licensed by the SFC under the Hong Kong Securities and Futures Ordinance to carry on Type 9 Asset Management Regulated Activity. The SFC has not reviewed this brochure.

PGL is registered as an Investment Adviser with the SEC. Neither registration with the SEC nor with the SFC implies any certain level of skill or training.

### Ownership

William S. Kaye owns 100% of Eire Investments Ltd, an exempt investment adviser, which in turn owns 100 % of Kaye Capital Ltd, our majority owner. Kaye Capital Ltd. owns two thirds of PGL. Tiger Management Corporation, an unaffiliated third party, owns one-third of PGL.

### WILLIAM KAYE

Prior to founding PACG, Mr. Kaye managed the Arbitrage Department and was a member of the Board of Directors of PaineWebber incorporated in New York. Mr. Kaye joined PaineWebber in 1978 and successfully built its Arbitrage Department into an industry leader. Prior to his PaineWebber experience, Mr. Kaye was an Associate in the Mergers and Acquisitions Department at Goldman, Sachs & Company.

Mr. Kaye received a Bachelor of Arts (cum laude) from Vanderbilt University in 1975, and an M.B.A. from the University Of Chicago Graduate School Of Business in 1977, where he graduated as a Beta Gamma Sigma Scholar.

**TIGER MANAGEMENT CORPORATION**

Tiger Management LLC is an investment adviser based in New York. Tiger was founded in 1980 by Julian Robertson. Julian Robertson has no relationship with any of the Pacific Group companies or Mr. Kay other than as a passive investor in PGL.

**Our Advisory Services**

PGL offers professional advisory services on a discretionary basis, providing asset management according to the stated investment objectives and policies of each client.

Our clients generally negotiate and enter into an investment management agreement with us. This agreement will typically govern the relationship between the client and us as well as define the roles and responsibilities of both parties. The negotiation with our clients of the terms of investment management agreements allows us to tailor our advisory services to their needs.

As of 1 January 2019, PGL manages USD82,207,504 of client assets on discretionary basis.

We provide our advisory services to separately-managed accounts (typically available to institutional investors and family offices but also available to select high-net worth individuals). Currently, we have two separately managed.

**THE GREATER ASIAN HEDGE FUND**

October 2018, we made a decision to return capital to investors of The Greater Asian Hedge Fund and all investors of the fund were paid before end of January 2019.

**SEPARATELY MANAGED ACCOUNTS**

In response to investor demand, we offer long-only mandates provided that they can be implemented as an adjunct to investment decisions made for the Hedge Fund. Within these parameters, our separately managed account clients generally may specify and impose investment restrictions and guidelines on our investment management agreements, including limitations on the types of securities allowable in the portfolio and the percentage of exposure of the portfolio to certain types of securities.

The Greater China Horizon ("GCH") portfolio represents the Group's long-only skills. Focusing on China related investments, GCH invests primarily in equities listed on the Asian markets.

Among our strengths are our proprietary, independent research capabilities and our risk management.

Client accounts are managed by our portfolio management team in which investment decisions are typically taken collectively. The team is headed by our Chief Investment Officer.

## ITEM 5 – FEES AND COMPENSATION

Our fees for providing advisory services to separately managed account clients are negotiable and can vary depending on the investment objective and type of the account. The negotiation of fees may result in similarly situated clients paying different fees for comparable advisory services.

The management fees charged clients for our advisory services are generally based on annual percentage of the value of assets under management, as determined by us in good faith or by a client's custodian or other administrator who performs this calculation. The specific manner in which fees are charged by us is established in a client's investment management agreement with us. We calculate our own fees. Under our standard investment management agreement, we will bill our fees on a quarterly basis, in arrears.

Clients may elect to be billed directly for fees or to authorize their custodian, acting as their agent, to pay us our fee from their accounts. Management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any account, any earned, unpaid fees are due and payable. Clients do not pay any advisory or management fees in advance.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties which can include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Please see Item 12 below for a more detailed discussion regarding our brokerage practices. Mutual funds and exchange traded funds in which we may invest on behalf of clients also charge internal management fees.

The fees we charge the Hedge Fund are detailed in the offering documents of the Feeder Funds.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We have in place performance or incentive fee arrangements with qualified clients, including the Hedge Fund. We will structure any performance or incentive fee arrangement relating to U.S. clients according to the requirements of the U.S. Investment Advisers Act of 1940 ("Advisers Act"), including Section 205(a)(1) and Rule 205-3 thereunder. In measuring clients' assets for the calculation of performance-based fees, we will include realized and unrealized capital gains and losses.

While we believe that performance-based fee arrangements align our interests with the interests of our clients who are subject to those fees, we also recognize that performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance fee arrangements also create an incentive to favor higher fee paying accounts over other accounts, including accounts that are charged no performance-based fees, in the allocation of investment opportunities. We have adopted policies and procedures that seek to mitigate any such conflicts presented by our performance-based fee arrangement and to ensure that all clients are treated fairly and equally.

## ITEM 7 – TYPES OF CLIENTS

We provide advisory services to a variety of client types. Clients may include:

- Individuals, Personal Trusts and Estates – High Net Worth private investors who place personal assets in separately managed accounts managed by us;
- Corporations – Taxable entities organized for a specific business purpose, investing cash reserves;
- Family Offices

We generally require separately managed account clients to have a minimum account size of \$20,000,000 to receive discretionary investment advisory services. However, we may consider waiving the account minimums in our sole discretion after considering factors including the number of accounts managed for a client, the nature of services rendered, any special requirements of the account(s) managed and the totality of the relationship between us and the client.

The Feeder Funds are subject to minimum initial and additional investment minimums as stated in their respective offering materials.

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

### Methods and Analysis

We use a variety of methods of analysis for our investment mandates based on the objectives and strategies of the clients involved. The primary methods of analysis we employ are the following.

#### FUNDAMENTAL ANALYSIS

In performing our own analysis, we consider information from a variety of sources. These sources include financial periodicals and other media outlets as well as third-party research from broker-dealers and other providers which are generally used to obtain data and general market trends. More information on our practices relating to obtaining research from broker-dealers is available in Item 12.

These methods of analysis are generally designed for strategic, long-term investing. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. The resulting investment returns are highly dependent on the value of the underlying securities and are impacted by trends in their respective investment markets.

### Investment Strategies

#### SEPARATELY MANAGED ACCOUNTS

For a long-only investment strategy, we invest in equities listed on Asia-Pacific Markets including Hong Kong, China, Singapore, Taiwan, Australia etc. We seek to buy attractive listed companies, based on our analysis, to provide superior returns over the long term.

**Principal Risks**

The investment approach is designed to produce attractive returns over the longer-term.

**EQUITY INVESTING RISKS**

There are risks of investing in equity securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and industry market conditions and general economic environments.

**RISKS OF INVESTING IN FOREIGN SECURITIES**

Investing in foreign securities has certain unique risks that can make it riskier than investing in U.S. securities. These risks include increased exposure to political, social and economic events in Asian markets; limited availability of public information about a company; less developed trading markets and regulatory practices; and a lack of uniform financial reporting and regulatory practices similar to those that apply to U.S. issuers. Securities of foreign issuers may be less liquid, more volatile and harder to value than U.S. securities.

Investments in foreign countries are also subject to currency risk. As the portfolio's investments are generally denominated in foreign currencies, the portfolio can experience gains or losses based solely on changes in the exchange rate between foreign currencies and the U.S. dollar.

**FIXED INCOME RISKS**

There are risks of investing in bonds and other fixed income securities. Bond prices may go up or down in response to interest rates with increases in interest rate leading to falling bond prices. Bonds and other fixed income securities are subject to credit risks, such as risk of default by issuers. For portfolios that invest in debt securities of foreign companies, these can have certain unique risks, including fluctuations in currency exchange rates, unstable social, political and economic structures, reduced availability of public information, and the lack of uniform financial reporting and regulatory practices similar to those that apply to U.S. issuers. Securities of foreign issuers may be less liquid, more volatile and harder to value than U.S. securities.

**LIQUIDITY AND REGULATORY RISKS**

The portfolio may also be subject to liquidity and regulatory risks. Investments in emerging markets may be particularly prone to regulatory risks; for example, the introduction of new laws, the imposition of exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holding of the portfolio in a particular company, sector or country by non-residents (individually or collectively) has been reached.

**DERIVATIVE INSTRUMENT RISKS**

The use of derivative instruments in the portfolio involves risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk. Derivative instruments are highly volatile instruments and their market values may be subject to wide fluctuations and expose the portfolio to potential gains and losses.



**NON-DIVERSIFIED PORTFOLIO RISK**

All our strategies may be subject to the risks inherent to concentrated or non-diversified positions. Investments in client accounts are typically focused on Asia, and may be concentrated in certain countries, industries, sectors or markets. Concentration and non-diversification pose increased risk of loss to the extent the account is more susceptible to adverse events affecting the industry or issuer in which the account is focused.

**Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

We use the investment strategies and methods of analysis to seek to achieve each portfolio's investment objective. The investment decisions we make may not produce the expected returns, may cause the portfolio to lose value or may cause the portfolio to underperform relative to other portfolios with similar investment objectives. There is no assurance that a portfolio's objective will be achieved.

**ITEM 9 – DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

**ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Mr. Kaye is the beneficial owner of several British Virgin Islands (BVI) entities that make proprietary public equity and/or private fund investments, including Eire Investments Ltd., an SEC-exempt investment adviser, which manages a pool of proprietary assets for Mr. Kaye and his family. One separately-managed account is a long-only account, invested according to the GCH portfolio described in Item 4, above. The other separately-managed account is a long-short account.

Other affiliated investment advisers are listed on Item 7.A. of Schedule D to our Form ADV part 1A.

We are also affiliated to Pacific Alliance Discretionary Management Limited, a BVI company that serves as the investment manager to separately managed account mandates which we advise.

We are one-third owned by Tiger Management Corporation, a significant financial services concern.

It should be noted that Tiger, a passive investor not involved in the management or day-to-day activities of PGL, has a substantial number of affiliates and/or investee firms. We do not devote resources to tracking all the companies which we could be deemed to be affiliated with as a result of our relationship with Tiger, and we are not privy to all relationships Tiger may have. Because of this, we may inadvertently conduct business with one of more firms to which we may be seen to be affiliated. We do not consider these potential relationships to represent a conflict of interest.

Family members of some of our personnel, including members of our portfolio management teams, are employed by broker-dealers, third-party research providers and other financial institutions. We require personnel to disclose such relationships to us. We are required under our Code of Ethics to determine whether these persons are "related persons" within the meaning of Rule 204A-1 and our Code of Ethics, and if so, they must comply with the requirements of our Code, including disclosure of personal trading.

We address any conflicts of interest which may arise as a result of these situations in several ways. First, all personal portfolio investments into private funds or investments of limited opportunity are subject to pre-clearance by our Chief Compliance Officer. We address conflicts that may arise by dint of our relationships with third parties by doing business with all third-party companies completely at arm's length and, in the case of selection of broker-dealers or counterparties for securities transactions, we will only conduct business with broker-dealers or counterparties subject to our duty of best execution. The management of conflicts of interest is discussed further in Item 11.

David Roche, an independent consultant to PGL, is a founder and principal of Independent Strategy London, a London-based investment consultancy with which we have a consulting- and office space-sharing arrangement. Mr. Roche provides general research to PGL, not specific recommendations as to securities. Mr. Roche does not have access to PGL clients' trading information. We address the conflict of interest inherent to this arrangement by, among other things, subjecting this individual to a confidentiality agreement.

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

Our U.S. Code of Ethics ("Code") applies to all of our employees and requires that our employees conduct themselves honestly and ethically and in full compliance with the securities laws at all times. Employees must put the interests of our clients before their own interests. A copy of the Code is available to clients and prospective clients upon request.

It should be noted that we do not apply the Code to our non-executive directors. To address this, we take measures to ensure that non-executive directors do not have access to sensitive information about client portfolios.

On occasion, an employee of PGL may purchase or sell for his or her own account securities which we recommend for our clients. Employees may also invest in the pooled investment vehicles which we sponsor and/or manage or certain of their assets may be managed in one or more of our investment programs.

All such transactions must be conducted in accordance with our Code. The Code is designed to ensure that our employees do not take actions which are adverse or appear to be adverse to the interests of our clients. To manage the potential conflicts of interest with respect to personal securities trading by our people, the Code contains the following provisions, among others:

- i. A requirement that most proposed personal securities transactions (including accounts in which PGL personnel have a personal interest) be cleared by our Chief Compliance Officer or his delegate to address the conflict of interest.
- ii. Periodic reporting of all activity in personal securities accounts. This includes reporting of all securities positions.
- iii. Personnel may only maintain their brokerage accounts at brokers approved for these purposes by our Compliance team.

Our Code also limits the type and amount of gifts and entertainment that our personnel are permitted to give or accept.

## ITEM 12 – BROKERAGE PRACTICES

We select brokers and counterparties based on a set of qualitative and quantitative criteria. Execution of client transactions is in accordance with our best execution policy. Our objective is to obtain the most favorable execution and price reasonably available over time for our clients.

### **Selection of Brokers/Counterparties and Best Execution**

We place orders for execution in accordance with our best execution policies. Best execution is the process by which we seek to achieve the most favorable results for a transaction. The factors that we consider in selecting the brokers with which we place our client orders for execution include, but are not limited to: the broker's reliability, reputation in the industry, financial stability, infrastructure, research and execution services and ability to accommodate special transaction needs. Accordingly, transactions may not always be executed at the best available price or commission. The factors that we consider in seeking best execution include: the broker's reliability, reputation in the industry, financial stability, infrastructure, research and execution services and ability to accommodate special transaction needs. Accordingly, transactions may not always be executed at the best available price or commission.

We monitor the current level of the commissions of eligible broker-dealers and strive to minimize the expenses incurred for effecting client transactions to the extent consistent with the interests and policies of the accounts. Although we seek competitive commission rates, we will not necessarily pay the lowest commission and, consistent with our soft dollar policies (described below), we may take into account when selecting brokers for client transactions the value of eligible research and brokerage products and services provided to us by brokers when agreeing on commission rates for client transactions. The execution of certain transactions or strategies for clients may require specialized services from the broker-dealer involved and thus may entail higher commissions than would be the case with other transactions requiring more routine services.

### **"Soft Dollars"**

We may pay a broker a commission (or a counterparty a "spread") in excess of what another broker may have charged for effecting that transaction, in recognition of the value of the research and/or brokerage services provided by that broker. This practice is regarded in the U.S. as using "soft dollars" (and referred to as "soft commissions" in Hong Kong and other jurisdictions). In selecting a broker providing research or brokerage services to execute client transactions, we will make a good faith determination that the amount of the commission charged is reasonable in relation to the value of the research and brokerage services received, viewed either in terms of the specific transaction or our overall responsibility to the accounts over which we exercise investment discretion. The research we acquire includes proprietary research on companies, industries and markets created by broker-dealers, such written research reports, investment ideas and market color provided to our investment professionals, as well as access to the broker-dealer's own analysts and conferences. We may develop relationships (and place trades) with brokers who have research and analytical expertise relevant to the needs of PGL and our clients.

Brokerage commissions are paid for by our clients' accounts, but the research is provided to us. As a result, we receive a benefit at no cost to PGL, because we do not have to produce or obtain such research at our own expense. This creates a potential conflict of interest for us in that we may have an incentive to select or recommend a broker-dealer to execute client securities transactions based on our interest in receiving research from or through the broker-dealer, rather than on our clients' interest in receiving the most favorable cost of execution. However, our use of research obtained

from broker-dealers in this fashion benefits our client accounts because we use this research to assist us in formulating the investment advice we provide to our client accounts.

Our use of commissions or soft dollars to pay for certain research products or services in respect of U.S. client accounts will fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934. Such products or services received from brokers as a result of clients' transactions may be used by us in servicing other accounts. We are also authorized to utilize non-U.S. client commissions for other purposes and under other circumstances consistent with applicable law and industry practice.

Soft dollars generated by one client account may be used for the benefit of other clients, and research obtained through these means may be used by all Pacific Group investment personnel in servicing our clients. We do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

#### **Aggregated Trades, Trade Allocations and Trade Errors**

We generally execute transactions on an aggregated basis—that is, we “bunch” orders from several accounts—when we believe this will allow us to obtain best execution and to obtain more favorable commission rates or other transaction costs. When aggregating orders, we employ procedures designed to ensure clients will be treated in a fair and equitable manner and to achieve best execution. No account will be favored over any other client; however, a variety of factors can determine whether a particular client may participate in a particular aggregated transaction. These factors include investment objectives and strategies, position weightings, cash availability, and risk tolerance, among others. Because of such differences, there may be differences in invested positions and securities held in client accounts managed according to similar strategies.

Aggregated orders filled partially will be pre-allocated among the participating accounts pro-rata by original order size.

We make and implement investment decisions for our client accounts consistent with our fiduciary duty. To the extent trading errors occur, we seek to ensure that clients' best interests are served. Our policy is to resolve all trade errors within a reasonable time period and in manner that does not disadvantage the client. We reimburse client accounts for their actual losses suffered as a result of a trade error caused by us. We do not compensate clients for lost investment opportunities (e.g., failure to take advantage of investment or market improvements).

## **ITEM 13 – REVIEW OF ACCOUNTS**

#### **Account Reviews**

We have implemented continuous monitoring and control procedures for client accounts that are complemented by daily reviews by our CIO and our Chief Operating Officer. They review each client account on a regular basis (daily, weekly or monthly, as deemed appropriate) to determine, among other things, whether each account is appropriately positioned and in-line with the client-specific investment goals, objectives and policies. The manner and frequency of reviews may be established in the client's investment management agreement.

#### **Written Reports**

We provide reports to our clients regarding their accounts in accordance with instructions they

provide us. On a monthly or quarterly basis, we may provide our clients with a written report that includes information such as current portfolio holdings, transaction activity, and portfolio manager commentary on sources of return within the portfolio and recent market conditions. More information about client account reports is in Item 15.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

We have entered into written solicitation arrangements with non-affiliated third parties, pursuant to which we agree to compensate them for the solicitation of clients and client referrals. Solicitations and/or referrals of U.S. clients are made in accordance with Rule 206(4)-3 under the Advisers Act.

A conflict of interest may arise from compensating third parties to solicit and/or refer clients. Recommendations being made to clients may be influenced by the compensation. Clients and prospective clients should refer to the disclosure document that solicitors are required to provide under Rule 206(4)-3 prior to making any investment decision. These disclosures include the nature of the solicitation arrangement and the details of the compensation arrangement accorded to the solicitor.

## ITEM 15 – CUSTODY

We do not have custody of the funds or securities in relation to US client accounts. Rather, all funds and securities of our U.S. clients will be held at a qualified custodian, which typically is appointed by the client.

U.S. clients will receive statements of account holdings from their custodians at least quarterly. U.S. clients should carefully review those statements. We may provide account balance and activity details to the client upon request. However, our account statement information as to the value of assets in managed accounts may vary from the values shown in the statement that the U.S. client custodian provides, due to different market closing times or foreign exchange rates at the time of valuation. We urge U.S. clients to compare the information received from their custodian with that received from us.

We calculate our own fees. Management fees due to us may be paid by the client custodian from the custodial account that holds client funds. Written authorization allowing the payment of fees directly from the custodian will be provided by each U.S. client before carrying out the direct debit of fees. The client and custodian will each receive a statement from us detailing the amount of fees and the method of calculation.

## ITEM 16 – INVESTMENT DISCRETION

The accounts over which we exercise investment discretion are subject to investment policies and guidelines that are established between our clients and us (and which may be amended from time to time). Within a client's specified investment objectives and guidelines, we are generally authorized to determine which securities are bought or sold, the total amount of securities to be bought or sold, the broker-dealer (or counterparty) through which the securities are to be bought or sold, and the commission rates to be paid, all without further client consultation or consent.

## ITEM 17 – VOTING CLIENT SECURITIES

Our proxy voting policies and procedures establish a framework to vote proxies consistent with our fiduciary duty to our clients.

When vested with proxy voting authority, it is our policy to vote all proxies on securities held in client's account, unless we determine in accordance with our policies to refrain from voting. In the event a client believes that its interests require a different vote, the client may direct how we vote shares held in its account by providing us with written voting instructions, provided that we receive such instructions in time to act accordingly.

When we determine that voting a proxy presents a conflict of interest, we will resolve such conflicts in the best interest of the client.

We maintain proxy voting records and related records designed to meet our obligations under applicable law. Clients may obtain a complete copy of our proxy voting policies and other information regarding how their proxies were voted upon request by writing to us at the address set forth in the first page of this brochure.

## ITEM 18 – FINANCIAL INFORMATION

We do not have any financial condition that is reasonably likely to impair our ability to meet our contractual commitment and fiduciary responsibilities to our clients. We do not charge fees in advance.