

# **COMGEST ASSET MANAGEMENT INTERNATIONAL LIMITED**

## **PART 2A OF FORM ADV FIRM BROCHURE**

46 St. Stephen's Green  
Dublin 2, Ireland  
<http://www.comgest.com>  
**December 2024**

This brochure provides information about the qualifications and business practices of Comgest Asset Management International Limited ("CAMIL" or the "Company"). If you have any questions about the contents of this brochure, please contact us at +353 1 631 0122. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Clients should note that SEC registration does not imply a certain level of skill or training.

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

## ITEM 2: MATERIAL CHANGES

There were no material changes made since the last annual update of the Company’s brochure, which was submitted in December 2023. There were non-material additions, enhancements and clarifications throughout.

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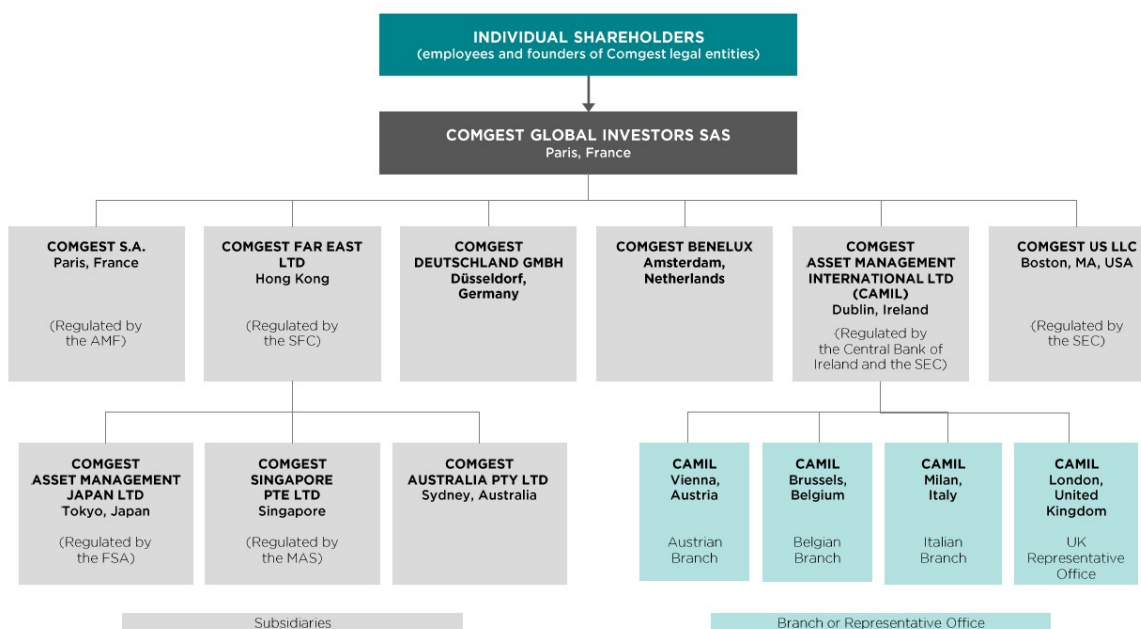
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## ITEM 4: ADVISORY BUSINESS

CAMIL is based in Dublin and is a wholly owned subsidiary of the Comgest Group (“Comgest” or “Comgest Group”). It serves as the investment manager for a range of Dublin-based UCITS V funds, U.S. private funds, collective investment trusts and separately managed accounts. As explained further below in Item 10, CAMIL uses the investment advisory services of its affiliates. As a discretionary manager, CAMIL also provides trading and middle office support for its clients.

The shareholding structure of the Comgest Group is presented below:

## GROUP STRUCTURE



As referenced in the structure chart above, the principal owner of CAMIL is Comgest Global Investors SAS.

Comgest was founded in Paris in 1985 and is an independent equity manager. Since its creation, the Comgest Group has focused on:

- i. delivering performance for Comgest's clients by investing in quality growth companies with a long-term investment horizon; and
- ii. adhering to a disciplined, fundamental investment strategy.

The firm's founders, Jean-François Canton and Wedig von Gaudecker, and the generations that followed, have ensured that this independent structure and focused strategy have remained firmly in place.

The Comgest Group manages over 15 equity strategies including global, regional and single country portfolios covering developed and emerging markets. Comgest launched its first Pan-European and Asian equity strategies in 1989. Global equity was added in 1991 and Global Emerging Markets equity was added in 1994, following the opening of a Hong Kong -based entity in 1993. As the firm's research activities, product range and client base developed, Comgest opened further entities in Dublin, Düsseldorf, Amsterdam, Tokyo, Singapore, Boston, Sydney and offices in London, Milan, Brussels and Vienna.

As of September 30<sup>th</sup>, 2024 the Comgest Group employs over 200 professionals of which 48 comprise the investment teams. Comgest Global Investors S.A.S. is 100% owned by its employees and founders

and equity is held broadly across the firm. Approximately 80% of employees are currently shareholders.

Comgest has attracted an international client base spanning Europe, Asia Pacific, the Middle East, North America and Latin America. In addition to advising pooled investment vehicles in the form of UCITS V funds, U.S. private funds and U.S. collective investment trusts, Comgest can also create bespoke portfolios to suit clients' specific needs or investment restrictions in separately managed accounts.

CAMIL manages client assets based on the individual needs of the client, which are stated in the written objectives and guidelines of the client's account. In a typical discretionary separate account relationship (that is, an investment portfolio pursuing a particular investment strategy, established in the client's name at its custodian), the client authorizes CAMIL to supervise, manage and direct the investment of the assets of the portfolio without prior consultation with the client. For non-discretionary accounts, an adviser must consult with the client prior to implementing any investment decisions. As described further below, CAMIL is a discretionary asset manager, and generally does not provide general investment advice or planning services to its clients on a non-discretionary basis.

With respect to CAMIL's management of Comgest funds, like separate accounts, investment funds are managed in accordance with written investment objectives, strategies and guidelines. However, a fund is a pooled vehicle, and its investment program cannot be tailored to the individual needs of any particular investor. Investment in a fund does not create an advisory client relationship between the investor and CAMIL. Therefore, investors should consider whether a fund meets their investment objectives and risk tolerance prior to investing. Investors in pooled funds receive an offering memorandum, prospectus, or similar document (each, an "Offering Document") that describes the fund, including its risks, fees, and the qualifications needed to invest. Some investment funds may be offered on a private placement or other limited basis and may not be available to, or appropriate for, all prospective investors.

CAMIL may manage accounts of employee benefit plans, such as corporate pension, profit sharing and money purchase pension plans, that are subject to the fiduciary responsibility provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and of plans, such as individual retirement accounts ("IRAs") and Keogh plans, that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Revenue Code") (collectively, "Plans") on a separately managed account basis or through a pooled product, such as a collective investment trust. When CAMIL manages assets of Plans, CAMIL will be subject to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Revenue Code, which provisions, among other things, might affect the manner in which CAMIL may be compensated by such accounts and its ability to enter into certain kinds of transactions, such as cross-trading and certain transactions with, or for the benefit of, CAMIL or its affiliates. Further, with respect to Plans that are subject to ERISA, CAMIL also will be subject to ERISA fiduciary responsibility, reporting and disclosure, and bonding rules, as well as requirements relating to maintenance of the indicia of ownership of Plan assets. To the extent that CAMIL is managing any such Plan accounts, CAMIL intends to comply with all applicable provisions of ERISA and the Revenue Code. Notwithstanding the foregoing, CAMIL and its affiliates do not intend to enter into any transactions with clients (also known as principal transactions). In addition, certain issuers of securities and other investment products may limit the ability of Plans to invest in them, which may affect the composition of the portfolios of Plan accounts and result in a variance between the investments of Plan accounts and the investments of non-Plan accounts that otherwise might have similar mandates.

Certain of CAMIL's subsidiaries and affiliates, which are companies not registered with the SEC (each, a "Participating Affiliate"), may have access to information (such as through employees who work for both CAMIL and an unregistered CAMIL subsidiary or affiliate) concerning securities recommendations for the related adviser's U.S. clients. Please see Item 10 for a more detailed discussion of such Participating Affiliate arrangements.

As of September 30<sup>th</sup>, 2024, CAMIL has \$19,357,155,920 in discretionary assets under management and does not have any non-discretionary assets under management.

### **Limitation on Services**

As an asset manager, CAMIL provides a specific service. CAMIL does not provide tax, legal, or accounting advice, and clients should note that, unless otherwise specifically agreed or disclosed in writing, CAMIL will not take tax considerations into account in managing a client's portfolio.

## **ITEM 5: FEES AND COMPENSATION**

### **Management Fee**

CAMIL generally receives an investment management fee based on a percentage of the assets under management in the client account or selected fund. In addition, certain clients may pay a performance based fee, as outlined in Item 6. Because CAMIL will be delivering this brochure only to "qualified purchasers" as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, SEC rules do not require CAMIL to include its standard fee schedules in this brochure.

CAMIL sets standard fixed fee scales for all of its investment strategies which are subject to change. CAMIL's standard fees for providing discretionary investment management services vary with the type of account and investment strategy. On occasion the fee scale is negotiable depending on a number of factors, including whether a performance fee is being applied, client specific requests or requirements, location of client, expected duration of investment, the total size of the account and the aggregate amount invested with Comgest.

Furthermore, CAMIL may enter into distribution agreements with distributors and fee rebate agreements with certain investors in the funds. Pursuant to these agreements, CAMIL may, in its sole discretion, agree to pay the following out of the investment management fee which it has received from the fund and which is attributable to the distributor/investor: (a) trailer or retrocession fees to the distributors appointed by it; and (b) rebates to investors based on the terms of the agreement entered into by CAMIL with such investor.

CAMIL may also enter into investor fee agreements for share classes in the funds which do not have a set fee in the Offering Document. CAMIL will agree with the client the investment management fee to be paid based on its standard fee scale, subject to change.

Fees are calculated in accordance with the relevant fund's Offering Document, investor fee agreement or client investment management agreement, as appropriate.

While CAMIL acts as a fiduciary in managing client assets, not all business decisions made by CAMIL are fiduciary decisions. Subject to applicable law and any contractual commitments, CAMIL may choose to charge different fees or otherwise offer different levels of service to different clients for the same fee, depending on its business needs and market demands. In addition, investors should note that the fees for fund investing can differ from the fees for separate account investing.

## **Billing**

CAMIL bills clients directly for investment management fees. For accounts that are pooled investment vehicles (where CAMIL acts as investment manager) that are organized as UCITS V funds, U.S. private funds or U.S. collective investment trusts, fees are accrued daily and paid monthly or quarterly in arrears depending on the vehicle.

For investor fee agreements related to pooled investment vehicles or separately managed accounts, fees are generally charged monthly or quarterly in arrears and are invoiced to clients. Clients may elect for or authorise their global custodians to make payment to CAMIL. The specific manner in which fees are charged is established in the client's investment management agreement or investor fee agreement with CAMIL. Accounts initiated or terminated during a period will be charged a prorated fee. Upon termination of any account, any earned and unpaid fees will be due and payable.

CAMIL must comply with SEC rules about "custody" of client assets (which can include automatic billing arrangements). Clients other than registered investment companies who prefer that CAMIL deduct fees directly from their account will be required to make specific arrangements with a qualified custodian and to provide CAMIL with additional information (including confirmation that the custodian provides the client with required account statements).

## **Other Fees**

In addition to the fees paid for management of the account, clients will also pay costs and expenses associated with their investment, such as commissions, clearing fees, taxes, and custody and accounting charges. Clients are responsible for these other charges, which may be imposed by third parties other than Comgest.

**Commissions and Transaction Costs:** The rate of commissions and level of transaction costs will vary, and, for fixed-income securities, commissions may not be separately stated, but implicit in the spread paid on the trade. A further discussion of CAMIL's brokerage policies and practices is found in Item 12.

**Taxes:** Withholding taxes and/or other taxes may be applicable to some investments (such as securities of non-U.S. issuers). Value Added Tax ("VAT") or similar taxes may also apply to management fees paid to CAMIL.

**Custody and Accounting Charges:** These charges (including ongoing fees as well as transaction specific fees and charges for portfolio trades and collateral transfers) are charged by the custodian and accounting agent/record keeper for the portfolio.

For separate account clients, the custodian or administrator, not CAMIL (or Comgest), charges each of these expenses (other than commissions) directly to the portfolio, and, in many cases, CAMIL (and

Comgest) does not know the amounts of these expenses. For more information, clients may contact their service providers directly.

CAMIL has entered into a secondment agreement with the UCITS V funds for the secondment of personnel. The costs associated with the secondment of personnel are charged to the UCITS V funds.

For investors in Comgest UCITS V funds, those expenses that are sub-fund specific will be allocated to the relevant sub-fund only and passed on to investors on a pro rata basis relevant to their ownership in the sub-fund. Expenses which are attributable to multiple sub-funds will be allocated on a pro-rated basis based on the weighting of each individual sub-fund and passed on to investors on a pro-rata basis of their ownership in the relevant sub-funds. CAMIL may, in its sole discretion, implement a fee cap in order to limit the amount of expenses charged to a particular sub-fund. In these instances, CAMIL bears any fees and expenses which exceed the fee cap.

Affiliated U.S. private funds and collective investment trusts advised by CAMIL also bear their own operating and other expenses. For investors in U.S. private funds or collective investment trusts, expenses noted above will be allocated and passed on to investors on a pro rata basis relevant to their ownership in such fund. Expenses which are attributable to multiple series or funds will be allocated on a pro-rated basis based on the weighting of each individual series or fund and passed on to investors on a pro-rata basis of their ownership in the relevant series or fund. CAMIL may, in its sole discretion, implement a fee cap in order to limit the amount of expenses charged to a particular series or fund. In these instances, CAMIL bears any fees and expenses which exceed the fee cap. In addition to fees and expenses listed above, other expenses include: sales expenses; audit expenses; legal and professional expenses and any other operational expenditure incurred in the day to day running of the fund. U.S. private funds and collective investment trusts that invest with an underlying manager or in underlying funds bear associated fees and expenses. Details regarding expenses can be found in the applicable Offering Document and other governing documents for the U.S. private funds or collective investment trusts.

Expenses that are attributable to a single client will be billed to the account directly and expenses which are attributable to a group of clients will be allocated on a pro rata basis based on the AUM of each client's account.

Comgest Group supervised persons and related sales personnel typically market Comgest's investment capabilities to various prospects and intermediaries. Certain supervised persons and related sales personnel are also registered representatives of ACA Foreside Fund Services LLC, a broker-dealer, and in that capacity engage in marketing or selling activities with respect to Comgest's funds. See Item 10.

Ms. Janice Olyarchuk, Mr. Philippe Lebeau, and Mr. Daniel Morrissey are non-executive directors of CAMIL who also act as non-executive directors of a UCITS V fund for which CAMIL serves as investment manager.

Directors are required to disclose any potential conflicts of interest, respect their confidentiality obligations and abstain from voting or from any decision or transaction if participation would lead to a conflict of interest.

Prospective clients are encouraged to consult their own financial, tax and legal advisors regarding any investment decision regarding Comgest's investment advisory services.



## **Class Actions Fees**

In instances where CAMIL receives notification of class action claims, it will participate in such claims where it is practicable to do so. CAMIL will only participate in settlement claims for clients who have requested that CAMIL submit settlement claims on their behalf and where sufficient data is available to proceed with the claim. Any proceeds of such claims will, upon receipt, be paid to the respective funds or separately managed accounts to which they correspond.

Reasonable administrative costs may be charged by third party service providers used by CAMIL for the processing of such claims.

CAMIL retains a third party service provider to assist in filing for securities class action claims (the “Class Action Claims Service Provider”). The Class Action Claims Service Provider analyzes participating accounts for securities class action settlements and, if eligible, will file settlement claims electronically on behalf of any such accounts. The Class Action Claims Service Provider is compensated on a contingency basis and may deduct a fee no greater than 6% (inclusive of tax) of the gross sum recovered from claims on a client’s behalf.

## **Valuation of Portfolio Assets in Calculating Fees**

CAMIL’s management fees are based on the value and performance of the assets held in the client account. CAMIL generally does not act as official record keeper or pricing agent for its client accounts. However, if the investment management agreement provides that fees will be based on CAMIL’s calculation of the portfolio’s net assets or performance, or in the case of an investment fund managed by CAMIL, CAMIL’s valuation of securities may determine the fees that a client or fund investor pays. Although most investment types are valued based on publicly available prices (such as equity closing prices), third party pricing sources, or broker dealer prices, CAMIL does have a role in determining asset values in some asset classes and circumstances. For example, CAMIL may be required to price a portfolio holding when a market price is not readily available or when CAMIL has reason to believe that the market price is inaccurate. To the extent CAMIL’s fees are based on the value or performance of client accounts, CAMIL may benefit by receiving a fee based on the impact, if any, of the increased value of assets in an account. As a result, valuation of assets by CAMIL could involve a potential conflict of interest. CAMIL has adopted detailed pricing procedures and related oversight controls to assist in proper valuation of client investments.

## **ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### *Performance Based Fees*

CAMIL may, if agreed with a client, charge a performance fee in addition to a management fee as long as such fee arrangement is permitted under applicable laws and regulations.

Performance fees are calculated, as appropriate, in accordance with the fund’s Offering Document, the investor fee agreement, fee rebate agreement or client investment management agreement with CAMIL. The calculation of performance fees includes net realised and net unrealised gains and losses which means that a performance fee may be paid on unrealised gains which subsequently will never be realised. Performance-based fees charged by CAMIL are generally billed annually in arrears.



Performance-based fee accounts can generate significant fees.

While performance fees are intended to reward CAMIL for the successful pursuit of client investment goals, performance-based fees may create an incentive for CAMIL to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such an arrangement.

#### *Side-by-Side Management of Portfolios*

CAMIL typically makes investment decisions for multiple portfolios using various investment strategies depending upon clients' guidelines and restrictions. These investment management responsibilities create conflicts of interest. CAMIL seeks to conduct itself in a manner it considers to be the most fair and consistent with its fiduciary obligations to its clients and make investment decisions based on an account's available cash, investment objectives, restrictions, permitted investment techniques and other relevant considerations.

The conflicts of interest that arise in managing multiple accounts include, for example, conflicts among investment strategies, conflicts in the allocation of investment opportunities, or conflicts due to different fees. Some accounts have higher fees than others. Fees charged to clients differ depending upon a number of factors including, but not limited to, the particular strategy, the size of the portfolio being managed, the relationship with the client, the service requirements, or the account type (*e.g.*, separately managed accounts). Based on these factors, a client may pay higher fees than another client in the same strategy. Also, clients with larger assets under management generate more revenue for CAMIL than smaller accounts. These differences give rise to a potential conflict that a portfolio manager may favor one account over the other or allocate more time to the management of one account over another.

In addition, in managing accounts which are billed an asset management fee only side-by-side with accounts which are charged a performance fee, CAMIL is subject to certain conflicts of interest, such as:

- most attractive investments could be allocated to performance fee accounts;
- trading of performance fee accounts could be favored as to timing and execution price;
- trading of other accounts could be used to benefit performance fee accounts (front running); and
- portfolio managers could focus primarily on performance fee accounts.

The Company attempts to mitigate any such conflicts by ensuring that all portfolios within the same mandates are monitored for any dispersion in returns, holdings, and position sizes that are not attributable to client requested restrictions, guidelines or other independent factors, such as cash availability or redemption activity. Although CAMIL believes its policies and procedures are reasonably designed, it is not possible to eliminate all the potential risks of these conflicts. For more information about other potential conflicts of interest in trading and managing client accounts, see Item 11.

#### *Allocation of Investment Opportunities*

It is CAMIL's policy to inform all of its clients that it performs investment advisory and investment management services for various clients, and it may give advice and take action with respect to one client that differs from advice given or the timing or nature of action taken with respect to another client. It is, however, CAMIL's policy not to favor or disfavor consistently or consciously any clients or class of clients in the allocation of investment opportunities, with the result that, to the extent practicable, all investment opportunities will be allocated among clients over a period of time on a fair and equitable basis.

CAMIL may restrict, limit or reduce the amount of a portfolio's investment in a security where holdings in such a security by a portfolio, or across portfolios in the aggregate, exceed a certain ownership threshold or would otherwise result in significant cost to, or administrative burden on CAMIL. In these situations, CAMIL may also determine not to engage in an investment for a portfolio, even where such investment would be beneficial to the portfolio. For example, such limitations exist if a position or transaction could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional cost and disclosure obligations for, or impose regulatory restrictions on, CAMIL or on other portfolios, or may result in regulatory or other restrictions, including those under the recast European Union's Markets in Financial Instruments Directive (Directive 2014/65/EU) along with its accompanying regulation, the Markets in Financial Instruments Regulation ("MiFIR") (Regulation 600/2014/EU), which are collectively known as "MiFID II."

When CAMIL allocates investment opportunities, it takes into account the factors noted above, as applicable, and as a result, some or all of the eligible portfolios may not receive a pro rata allocation, or any allocation.

Please also see Item 12 relating to trade aggregation and allocation practices.

## ITEM 7: TYPES OF CLIENTS

CAMIL provides investment management services to a selection of UCITS V equity funds, which include global and regional strategies covering Asia, Asia excluding Japan, Asia Pacific excluding Japan, Emerging Markets, Emerging Markets ex China, Global, Global ex U.S., Pan-Europe, China, India, Japan and the United States of America. In addition, CAMIL also provides certain of the above strategies to clients via U.S. private funds, U.S. collective investment trusts and separately managed accounts.

Comgest's client base encompasses a diverse group of long-term oriented investors including sovereign wealth funds and other international bodies, pension funds, insurance companies, family offices, foundations, private banks and multi-managers, spanning Europe, Asia Pacific, the Middle East, North America and Latin America.

The minimum amounts required for investment in the UCITS V funds are typically \$750,000 for entry into an institutional class, \$50 for entry into a standard class and \$10 for share classes where no fee is stated in the Offering Document but for which an investor fee agreement must be entered into. The Offering Document includes other institutional classes with a higher minimum amount required for investment. The directors of the fund may from time to time exercise their discretion, as permissible under the Offering Document of the relevant fund in order to waive the minimum initial investment amounts and minimum holding amounts, if any, for subscribing to or remaining in a fund.

The minimum amounts required for investment in the U.S. private funds and collective investment trusts are typically \$1,000,000 for entry into an institutional share class. For classes where no fee is stated in the Offering Document, the minimum amount required for investment together with the investment management fee is agreed between the investor and CAMIL. The manager of the U.S. private fund or the trustee of the collective investment trust may from time to time exercise their discretion, as permissible under the Offering Document of the relevant fund in order to waive the minimum initial investment amounts for subscribing to a fund.

The minimum annual fee required by CAMIL for a separately managed account is generally \$385,000 per annum to \$1,000,000 per annum depending on the strategy. CAMIL may elect to accept smaller accounts at its sole discretion.

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

Comgest aims to consistently adhere to its asset management strategy, investing in quality growth stocks with a long-term approach. This strategy has remained unchanged since the Group's inception over 30 years ago and is applied by all Comgest Group entities, including CAMIL. Investment teams constantly work to improve and sharpen Comgest's stock selection, becoming increasingly selective as they add to the depth and breadth of company coverage. Comgest's goal is to remain committed to this time-tested approach by looking beyond the short-term market "noise" to identify drivers of long-term performance.

### **Investment philosophy**

In managing its portfolios, Comgest adheres to its core beliefs in selecting appropriate investments. Comgest believes that:

- over the long term, fundamentals prevail and share price growth converges towards earning per share (EPS) growth;
- markets generally fail to correctly value businesses with strong and sustainable competitive advantage and persistent superior earnings growth;
- sustainable EPS growth with high Return on Invested Capital (ROIC) leads to above average investment returns at below average risk; and
- integration of Environmental, Social and Governance (ESG) research enables a better assessment of quality.

Comgest believes that it is beneficial to diversify a portfolio, but not to dilute ideas. Comgest's experience has demonstrated that it can create value by focusing intense, bottom-up research on the companies which it considers are able to sustain above-average growth in earnings per share. Central to this philosophy is a core belief in fundamental research and the ability of Comgest's teams to maintain strong relationships built over many years with companies and important industry participants. This, it believes, leads to in-depth knowledge.

## **Investment Approach**

Comgest's strategy is to focus on a few high quality companies that it believes are able to generate above-average growth in EPS, for an extended period of time. The portfolio advisors, analysts and ESG team members at Comgest dedicate the majority of their time to researching companies and challenging their investment thesis for the holdings in the portfolios. Bottom-up stock-picking is Comgest's primary source of alpha.

The investment teams conduct years of fundamental company research which Comgest believes leads to above-average knowledge of the companies. This rigorous investment approach combines detailed financial and ESG analysis with frequent field research including meetings with the management teams, operational staff and suppliers of the companies in which Comgest invests. The multinational investment professionals at Comgest are capable of researching investment potential across many different geographies and significant time is spent on analysing the competition and industry participants as well as visiting trade shows in order to better understand the competitive environment.

## **Investment Strategy**

Comgest offers quality growth strategy across equity products including global, regional and single country portfolios covering developed and emerging markets.

The same quality growth strategy is applied to all portfolios. This entirely benchmark-unconstrained approach is based on a disciplined bottom-up research process that also integrates ESG analysis. Comgest's strategies have and will continue to have limited capacity due to continued focus on a concentrated number of quality growth companies which Comgest believes are able to drive long-term performance for its clients.

Comgest's long-term investment horizon typically leads to low portfolio turnover. Most of Comgest's investments are held for three to five years, while others have a 5+ year investment horizon. Comgest's experience has also shown that its long-term strategy tends to reduce volatility relative to the market due to the selection of quality companies with more visible, sustainable and less cyclical earnings.

Comgest typically constructs concentrated portfolios with 30-50 holdings in order to diversify ideas without diluting conviction. Stock weights reflect the assessment of the risk/reward offered by each company's profile with respect to its quality, growth potential and the attractiveness of its valuation at any point in time. Valuation discipline remains important to Comgest's approach as it seeks to avoid overpaying for high quality companies.

## **Risk Management and Risk of Loss**

While every effort is made by Comgest to mitigate risks to client assets, all investing activity involves a risk to all or a part of the investment made. The value of investments in any Comgest strategy can, in common with other investments, go down as well as up. There is no assurance that the investment objectives will be actually achieved. Below is a discussion of the most common risks associated with the specific strategies pursued by Comgest, but is not a complete inventory of all risks. Investors in the Comgest funds should review the relevant fund's Offering Document for a thorough review of the risks inherent in the relevant strategy. Separately managed account clients should review the Risk Disclosure Statement provided during client on-boarding.

### Equity Securities Risk

Equity securities represent an ownership interest in an issuer, rank junior in a company's capital structure and consequently may entail greater risk of loss than debt securities. Equity securities include common and preferred stocks. However, stock markets are volatile and stocks may decline significantly in price over short or extended periods of time. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. From time to time, a portfolio may invest a significant portion of its assets in companies in one or more related industries or sectors, which would make the portfolio more vulnerable to adverse developments affecting those industries or sectors. If the market prices of the equity securities owned fall, the value of investments will also decline. Additionally, dividends paid on stocks can vary significantly over the short- and long-term, as they are not fixed but rather are declared at the discretion of a company's board of directors.

### Price Risk

Price risk arises mainly from uncertainty about the future price of securities (e.g., equities) and financial instruments held. It represents the potential loss the client might suffer through holding market positions in the face of price movements.

### Currency Risk

The income and capital value of a client's investments can be affected by fluctuations in currency exchange rates.

Depending on a client's or investor's currency of reference, currency fluctuations may adversely affect the value of an investment in a client's account or a fund.

Where a fund has a share class in a currency different to the base currency of the fund, the value of shares expressed in the class currency are subject to exchange rate risk in relation to the base currency and may be affected favourably or unfavourably by fluctuations in the exchange rate between the class currency and the base currency of the fund.

Where a client invests in securities and other investments that are denominated in currencies other than the base currency of the account, the value of the account's assets may be affected favourably or unfavourably by fluctuations in currency rates and, therefore, the account will be subject to exchange rate risks at the portfolio level.

Comgest may employ strategies aimed at hedging against currency risk at the portfolio level or at the share class level, however, there can be no assurance that such hedging transactions will be effective.

### Investment in Emerging and Frontier Markets Risk

Investing in emerging and/or frontier markets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) the risk of nationalisation or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) price fluctuations, less liquidity and smaller capitalisation of securities markets; (d) currency exchange rate fluctuations; (e) high rates of

inflation; (f) controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies; (g) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (h) less extensive regulation of the securities markets; (i) longer settlement periods and different settlement models for securities transactions; and (j) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (k) pervasiveness of corruption and crime; (l) religious or ethnic unrest and (m) the withdrawal or non-renewal of any licence enabling a portfolio to trade in securities of a particular country.

### Hedging Risk

Assets of a fund or portfolio may be denominated in a currency other than the base currency of such fund or portfolio and changes in the exchange rate between the base currency and the denominated currency of such assets may lead to a depreciation of the value of those assets as expressed in the base currency. It may not be possible or practical to hedge against such exchange rate risk. Comgest may, but is not obliged to, mitigate this risk by using financial instruments, such as forwards or swaps, to hedge against currency fluctuations. However, there can be no assurance that such hedging transactions will be undertaken or, if undertaken, will be effective or beneficial or that there will be a hedge in place at any given time.

Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The successful execution of a hedging strategy which matches exactly the profile of the assets of a fund or portfolio cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in their value as a result of such fluctuations.

### Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with a client.

Client accounts are exposed to credit risk in relation to bonds, market access products, other debt instruments and derivatives where these are held.

“Market Access Products” are financial instruments that may be used to obtain exposure to an equity investment in a local market where direct ownership is not allowed, is restricted or is more costly. Investment in market access products may involve an over-the-counter transaction with a third party broker dealer /bank (“Counterparty”) on their bespoke terms and there may not be an active secondary market for the instruments. Consequently, investing in market access products may expose a client account not only to movements in the value of the underlying equity but also to the risk of Counterparty default which may, in the event of Counterparty default, result in the loss of the full market value of the economic interest in the underlying equity. Market access products generally are issued by banks or broker dealers and are designed to replicate the performance of a particular underlying equity security. The Counterparty may hold the underlying equity or may enter into other synthetic hedging arrangements with third parties at their sole discretion. The return on a market access product that is linked to a particular underlying security generally is increased to the extent of any dividends paid in



connection with the underlying security. However, typically the holder of a market access product does not receive voting rights as it would if it directly owned the underlying security. Even though market access products are intended to reflect the performance of the underlying equity securities on a one-to-one (i.e. unleveraged) basis so that investors will not normally gain or lose more in absolute terms than they would have made or lost had they invested in the underlying securities directly, the performance results of market access products will not replicate exactly the performance of the issuers or markets that the instruments seek to replicate due to transaction costs and other expenses including costs the Counterparty may incur as a result of their hedging arrangements. Moreover, market access products may be classified in a variety of ways by the Counterparty, including as a warrant, note, structured product or debt instrument.

With respect to derivatives, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement.

Cash held on deposit with a credit or other financial institution will be subject to the risk of insolvency of the relevant institution.

#### Volatility Risk

Volatility in the value of a client's account may arise from fluctuations in the exchange rates of currencies in which the client's assets are held, as well as from fluctuations in the price of equities or interest rates in relation to other transferable securities, such as bonds, in which the client may be invested.

#### Liquidity Risk

The shares of newly established companies may be less liquid than the shares of more mature and established companies. Newly established companies, as compared with more mature and established companies, may have a shorter history of operations, may not have as great an ability to raise additional capital and may have a smaller public market for their shares. Such lack of liquidity may adversely affect the value or the ease of disposal of such investments and a portfolio may need to hold the investments longer than it would like and may forego other investment opportunities as a result. The cost of disposal of such investments may also be higher as a result of higher transaction charges, including as a result of greater levels of high-touch trading i.e., manual order execution or trading procedures. High-touch trading is more common in certain markets and higher transaction costs may therefore be incurred by portfolios where high-touch trading is the dominant method of trading.

Investments in emerging markets are less liquid and more volatile than the world's leading stock markets and this may result in greater fluctuations in the value of a client's account. There can be no assurance that there will be any market for an investment acquired in an emerging market and such lack of liquidity may adversely affect the value or ease of disposal of such investments. Additionally, there may be instances where illiquid investments are traded through and priced by one broker only, which may also adversely affect the value or ease of disposal of such investments.

Market Access Products generally are issued by banks or broker dealers and are designed to replicate the performance of a particular underlying equity security. Consequently, although the underlying equity may be actively traded, the Market Access Products themselves may have terms restricting their transferability resulting in a limited secondary market, if any. Market Access Products are generally sold back to the bank or broker dealer issuer of the Market Access Product. As CAMIL contracts with a



diversified group of highly rated or recognised banks or dealers in their sectors and as the underlying equity security to a Market Access Product is listed and actively traded, CAMIL regards this liquidity risk as low.

In relation to investments in the UCITS V funds managed by CAMIL, if requests for redemptions in a fund exceed 10% of the total number of shares in that fund on any dealing day, the directors of the fund may, in their sole discretion, implement a gate restricting redemptions on a pro-rata basis to 10% per day.

#### Political, United Kingdom and European Union Market and Regulatory Related Risks

Portfolios that have significant exposure to certain countries can be expected to be impacted by the political and economic conditions within such countries. There has been continuing political and economic uncertainty since the United Kingdom's vote in June 2016 to exit the EU. The United Kingdom subsequently left the EU on 1 January 2021 following the end of a transition period. EU law no longer applies in the UK and for many financial service businesses, there have been changes to existing systems and services. While it is not possible to determine the precise impact these events may have on a portfolio over time, the impact on the United Kingdom, EU countries, other countries or parties that transact with the United Kingdom and EU and the broader global economy could be significant and could adversely affect the value and liquidity of a portfolio's investments. In addition, if in the future one or more countries were to exit the EU or abandon the use of the euro as a currency, the value of investments tied to those countries, or the euro could decline significantly and unpredictably.

#### Public Health Outbreaks and Pandemics

Client accounts will be subject to the risk of loss arising from exposure that they may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic.

Events such as the outbreak of health pandemics or disease (for example COVID-19) may lead to increased short-term market disruptions and volatility and may have adverse long-term effects on world economies and markets generally.

The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines, could have a negative impact on the economy and business activity in the countries in which the portfolios may invest and on global commercial activity generally and thereby adversely affect the performance of a portfolio's investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a portfolio's investments or the Company's operations and the operations of the Company's service providers.

Additionally, risks are heightened due to uncertainty as to whether a pandemic or its consequences would qualify as a force majeure event. If a force majeure event is determined to have occurred, a counterparty to a portfolio or a portfolio investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, the portfolio and its investments may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could adversely impact investments and a portfolio's performance.

### Cybersecurity

Comgest and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications 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. A cybersecurity breach could expose both Comgest, its funds and separately managed accounts to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from a fund or separately managed account. While Comgest has established a business continuity plan in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, Comgest, its funds and separately managed accounts cannot control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the funds and separately managed accounts and/or the issuers in which the funds or separately managed accounts invest.

### **Risk and Portfolio Management**

At Comgest, risk is viewed in an absolute sense, not relative to a benchmark. As Comgest manages concentrated portfolios, it believes that the main sources of risk which have to be identified and actively managed are:

1. **Stock selection.** As the investment strategy employs a bottom-up, concentrated and unconstrained approach, analysts and portfolio advisors focus on assessing the fundamental risks and identifying and monitoring any factors that may impact the next 5 years' EPS and valuation for each company in the portfolio. The investment teams constantly monitor their business models via in-depth field research and building long term forecasts.
2. **Valuation misjudgment.** While seeking to invest in companies for the long term and manage portfolios that typically exhibit low turnover, with an average holding period of approximately 3-5 years, Comgest endeavors not to overpay for sustainable growth; always looking for short-term price inefficiency to build a position.
3. **Stock liquidity.** Over the short term, the valuation of investments may be impacted by volatility in exogenous factors (*e.g.*, asset class flows and FX movements, which affect the entire asset class) and to a lesser extent, macro events (*e.g.*, political risk).

Comgest's investment criteria favors companies offering above average earnings visibility, typically resulting in lower sensitivity to macroeconomic events. Portfolio advisors monitor the

portfolio holdings, as well as overall portfolio and risk management variables. Risk diversification is assessed at a company level and portfolio level, looking at geographic exposure, business activities breakdown and currency sensitivity.

### *Risk and Compliance Monitoring*

To ensure a high level of quality control, CAMIL maintains dedicated compliance and risk departments as well as dealing desk and middle office functions that provide dealing, reconciliation and operational support for all portfolios.

CAMIL reviews all financial instruments proposed by the portfolio advisors to ensure their eligibility for the relevant client portfolio prior to accepting an initial order. If CAMIL finds that the instrument is not in line with the investment objectives and guidelines of the client, it will notify the portfolio advisor that it cannot accept the order.

The CAMIL Risk Department sets up the investment restrictions for each client portfolio in the risk engine. The risk engine is part of CAMIL's order management system and it runs an automatic check of investment restrictions for the purposes of pre-trade and post-trade monitoring.

When CAMIL receives orders from the portfolio advisors, the Dealing Desk will ensure that the orders are within the objectives, guidelines, risk parameters and restrictions set out in the Offering Document or investment management agreements prior to accepting the order. Pre-trade monitoring reports are produced by CAMIL prior to executing any trades.

Risk Management reviews a daily post trade report, which is produced overnight and sets out whether each fund or mandate is in compliance with its investment guidelines. Where a breach is displayed on the report, a Risk Manager produces a more detailed post-trade report to assess the exact details of the breach. All breaches are reported to the portfolio advisor and tracked to resolution by the Risk Manager.

The Risk Manager logs all breaches and ensures that a notification is issued to its Risk Committee and Board of Directors and to clients in line with the terms of their investment management agreement. Any trade errors are logged by the Compliance Department and followed up in order to rectify the error and to determine whether any procedural modifications are required to prevent reoccurrence.

CAMIL has regular oversight over its portfolio advisors and will ensure that they are fulfilling their obligations under the investment management agreements. To the extent that issues or improvements are noted, CAMIL will discuss the necessary changes with the portfolio advisors.

On a monthly basis, CAMIL reviews the fund performance and objectives to ensure that it is meeting its obligations under the investment management agreements.

Additional oversight functions are provided by the Compliance and Risk Departments. The Compliance Department sets and monitors policies, defines work practices and oversees the business frontlines with regard regulatory compliance. Compliance and Internal Control officers follow defined compliance and internal control plans, ensuring adherence to regulations, contractual obligations, policies and procedures. The Risk Department monitors adherence to portfolio guidelines, restrictions, liquidity of portfolios, use of financial derivative instruments and performance as well as participating in risk mapping in relation to other business and operational risks of the company. The Compliance Officer

and Risk Manager produce reports for the relevant Boards of Directors on a regular basis and for the local regulator as required.

#### ITEM 9: DISCIPLINARY INFORMATION

CAMIL does not have any disciplinary information to report.

#### ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As mentioned above, CAMIL is part of the Comgest Group, which includes affiliated investment advisers operating in Paris, Hong Kong, Tokyo, Singapore and Boston. CAMIL has a service affiliate in Sydney and commercial affiliates in Düsseldorf and Amsterdam as well as investor relations staff based in offices in London, Brussels, Milan and Vienna. The activities of these commercial locations are not related to the U.S. advisory business. Comgest U.S. LLC employs commercial staff who are registered representatives of ACA Foreside Fund Services LLC, a broker-dealer, for the purpose of marketing Comgest's funds. Comgest U.S. may also provide portfolio management related services to the Comgest Group.

CAMIL will manage client accounts using advice provided by Comgest Far East Ltd, Comgest Asset Management Japan Ltd, Comgest Singapore Pte Ltd and/or Comgest S.A., each of which is an affiliated adviser that is not registered with the SEC.

In reliance on a series of SEC no-action letters and pursuant to a Memorandum of Understanding ("MOU") entered into with CAMIL, each of Comgest Far East Ltd, Comgest Asset Management Japan Ltd, Comgest Singapore Pte Ltd and Comgest S.A. will be a "Participating Affiliate" of CAMIL as that term is used in relief granted by the staff of the SEC allowing U.S.-registered advisers to use portfolio management resources of unregistered advisory affiliates subject to the regulatory supervision of the registered adviser. Pursuant to the MOU, designated personnel of the Participating Affiliates will serve as investment professionals who are involved in (or have access to) investment advice to be used for or on behalf of CAMIL's U.S. clients.

The Participating Affiliates are not registered with the SEC as investment advisers. However, personnel of the Participating Affiliates that assist in providing investment advice to CAMIL clients, or who have access to information concerning such securities recommendations, are subject to the oversight of CAMIL, including that such personnel must comply with CAMIL's Code of Ethics (the "Code") and Standard of Conduct and other compliance policies and procedures adopted by CAMIL pursuant to the requirements of the Advisers Act.

Each of the Participating Affiliates will also agree to submit to the jurisdiction of the SEC and to the jurisdiction of the U.S. courts for actions arising under the U.S. securities laws in connection with the investment advisory services it provides for such clients.

Certain affiliates of CAMIL may also provide, in addition to portfolio management related services, certain operational services to CAMIL and to other Comgest affiliates. Those services may include client servicing and reporting, marketing services and other similar services. Other entities within the

Comgest Group may also provide the Comgest Group entities with certain corporate services, including legal, compliance, human resources and information technology.

Doing business with affiliates could involve conflicts of interest if, for example, CAMIL uses affiliated products and services when those products and services are not in clients' best interests. Many U.S. and non-U.S. laws aim to limit these conflicts of interests – for example, by preventing a money manager from entering into trades between its clients and its affiliates where the client might be disadvantaged. CAMIL has policies and procedures designed to comply with these laws. In addition, CAMIL believes that its business relationships with affiliates are carried out on market terms.

CAMIL does not have any affiliated broker dealers.

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

CAMIL has adopted the Code pursuant to Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940. Permanent staff, officers, directors and most temporary staff and consultants who have worked for CAMIL for more than six months, (collectively, "staff"), receive training in the Code and are required to acknowledge their receipt and understanding of the Code on an annual basis and upon any material changes. In addition, any employees of CAMIL's participating affiliates who are deemed to be "access persons" are also subject to CAMIL's Code.

The Code contains provisions requiring staff to act in the best interests of CAMIL's clients and to comply with the federal securities laws which govern CAMIL's activities. The Code also contains CAMIL's personal trading policies and procedures which govern the personal investing activities of its staff. CAMIL's Code requires staff to disclose all of their "covered accounts" (securities accounts, including accounts of immediate family members sharing the same household, over which staff exercise any control or retain a beneficial interest) to CAMIL's Compliance department.

CAMIL allows staff to deal on their own account on the basis that staff will not trade to the disadvantage of CAMIL's clients, abuse their trust and responsibility or take inappropriate advantage of their position. Any personal dealing by CAMIL staff is subject to the overriding condition that (a) client orders must be transmitted to the market before any CAMIL staff can deal in the same or related securities on their own account and (b) any personal dealing does not reduce the staff's contribution to the work of CAMIL and/or affect the staff's duties to CAMIL and its clients. CAMIL reserves the right, in any event, to require staff to close out or reverse a transaction at the staff's risk.

Under the Code, staff must pre-clear all non-exempt transactions (which include purchases and sales of equities and futures) in personal accounts with the Compliance Department. Furthermore, staff may not buy or sell securities that Comgest recommends to clients, other than Comgest managed funds. Staff cannot transact any buy followed by a sell (or any sell followed by a buy) within a period of less than 30 days between the two transactions. In certain situations, in the sole discretion of the Chief Compliance Officer ("CCO"), staff may receive an exception to these policies. In the event of any exception granted to staff, CAMIL will ensure that the employee does not trade ahead of clients or to the client's disadvantage. Moreover, CAMIL may recommend to clients the purchase or sale of securities in which CAMIL staff and/or related persons already have a financial interest. To address any potential

conflicts of interest, staff transactions are subject to CAMIL's policies and procedures regarding personal securities trading described above, as well as to the requirements of the Advisers Act, the Investment Company Act of 1940 and other applicable laws.

A copy of CAMIL's Code of Ethics is available upon request by contacting [DL-Dublin-Compliance@comgest.com](mailto:DL-Dublin-Compliance@comgest.com).

## ITEM 12: BROKERAGE PRACTICES

### Trade Aggregation and Allocation

CAMIL maintains an allocation policy and procedures designed to ensure that allocations of investment opportunities and securities transactions are made on a fair and equitable basis. As far as practicable, where two or more clients are equally suited to a type of investment opportunity and able and willing to participate, CAMIL will allocate such investment equitably in order to ensure that each similar client has equal access to the same quality and quantity of the investment opportunity.

CAMIL may aggregate a number of comparable client orders of one or more Comgest entities. In considering whether to aggregate orders, CAMIL considers liquidity, market conditions and volume, and the speed and ability to execute a complete order, among other things. In limited circumstances similar orders may not be aggregated, which may include client restrictions and/or client broker selection requirements.

The effect of this aggregation and any resulting allocation may work to a client's advantage or disadvantage in relation to a particular order. However, CAMIL will only aggregate orders where it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated. Clients participating in an aggregated order will receive the average price and pay a proportional share of any broker commission.

If an aggregated order cannot be filled completely, allocations will generally be made on a pro rata basis. An order may not be allocated on a pro rata basis where, for example, (i) it is uneconomic to do so, (ii) pro-rata allocation would result in odd lots or de minimus amounts, or (iii) where CAMIL reasonably determines that departure from a pro rata allocation is advisable. Deviations from pro-rata allocation are recorded.

In situations where CAMIL has determined that it is not able to make a pro rata allocation due to odd lots or de minimis requirements or other considerations as outlined above, CAMIL will periodically review all deviations from pro rata to ensure that all clients are treated fairly and equitably over time.

### Selection of Brokers

CAMIL enters into a limited number of instruments directly with counterparties, including over-the-counter foreign exchange forward transactions for the purposes of hedging currency exposure, market access products and subscriptions directly into pooled investment vehicles.

CAMIL places orders for the purchase and sale of other portfolio investments for its client accounts through a substantial number of brokers and dealers. In seeking the best execution reasonably



available under the circumstances and having in mind its clients' best interests, CAMIL selects broker-dealers to execute trades considering all factors it believes to be relevant. These can include factors such as:

- the transaction price;
- the amount of the commission;
- the speed;
- the likelihood of execution;
- the likelihood of settlement;
- the size of the order;
- the nature of the order; and
- other considerations relevant to order execution, including confidentiality and quality of back office.

CAMIL maintains an approved broker list, through which client trades are directed. Prior to adding a broker to the approved broker list, a legal assessment is completed which involves a review of the brokers' terms and conditions. For EU-based brokers a review is also undertaken of their conflicts of interest policy and best execution/order execution policy. Following legal sign off, the compliance department approves the addition of the broker to the Approved Broker list. Other relevant departments are then notified to complete the broker set-up.

An evaluation of brokers is conducted twice a year by CAMIL together with other Comgest Group entities, including a best execution assessment. The best execution assessment criteria will take into account a number of different factors including: execution price, client service, source of liquidity, market impact, accuracy and timeliness of confirmations and settlement performance. Following the best execution assessment, underperforming brokers can either be placed on a watch list or, in event of more serious issues with the broker, removed from the Approved Broker list. This process is monitored by the Comgest Group Broker Committee.

### **Directed Brokerage**

Certain clients may have specific requests in relation to the brokers used for their trades. Clients with separately managed accounts may be permitted to direct their trades to a particular broker, but CAMIL is not obligated to take such direction in all cases. CAMIL reserves the right to evaluate any requests for direction of brokerage and to deny any such requests that do not fit the parameters established for CAMIL's approved brokers.

Directed brokerage arrangements limit CAMIL's ability to seek best execution, negotiate commissions with brokers and limit clients' ability to participate in aggregated orders. Directed brokerage may result in less favorable prices and cost clients more money.

### **Accounts Subject to ERISA**



As noted in Item 4 above, CAMIL manages accounts subject to ERISA which generally prohibit certain types of transactions such as cross trades. This general prohibition on cross trades could in certain circumstances limit CAMIL's ability to place orders that obtain the most favorable execution terms or otherwise seek more favorable execution terms, which in turn could result in a price variance between accounts subject to ERISA and accounts not subject to ERISA.

### **IPOs and Private Placements**

Participation in initial public offerings ("IPOs") and private placements are made for client accounts in accordance with what CAMIL views as appropriate for the respective client accounts. IPO shares are then allocated on a pro-rata basis to participating client accounts.

### **Cross Trades**

Unless otherwise restricted, CAMIL authorises transactions between managed portfolios provided they are in the interests of the clients involved and are carried out via a broker generally at the Volume Weighted Average Price over the day or for the remainder of the trading session (unless local market constraints do not allow to do so).

### **Trade Errors**

In the correction of a trade error, CAMIL will ensure that clients are treated fairly. It is CAMIL's policy that any loss will be borne by CAMIL and CAMIL will, where appropriate, seek payment or refund of the loss from the relevant third parties. It is also CAMIL's policy that in the event of a gain made attributable to a trade error; the gain will benefit the relevant client.

### **Soft Dollars/Commission Sharing**

CAMIL does not participate in soft dollar arrangements.

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

All accounts will be continuously monitored. As markets conditions change, the impact on each account will be assessed. Comgest has appointed Investment Team Managers, who are responsible for the daily supervision and management of the portfolio advisors and analysts within the investment teams. The Team Manager also ensures that Comgest's quality growth investment process is consistently applied and that all available tools (valuation models, data providers, software, research platforms, etc.) are diligently used in the research and decision making process. As a higher level of supervision and risk control, the Chief Investment Officer is responsible for the oversight of the investment process throughout the Comgest Group and holds meetings with senior portfolio advisors every two months.

The Compliance and Risk Departments also monitor the portfolios to ensure that the investment process is consistently applied by the investment teams. On a monthly basis, CAMIL reviews the fund performance and objectives to ensure that it is meeting its obligations under the investment management agreements.

Clients will receive monthly or quarterly reporting on the performance of their investments and accounts. The frequency and content of reporting depends on the requirements agreed with clients upon account set-up. Clients can also receive written reporting on CAMIL's ESG activities including a Quarterly Responsible Investment Report as well as, upon request and subject to certain conditions, customized ESG reporting. Reporting is available by contacting [info@comgest.com](mailto:info@comgest.com).

Clients should carefully review any statements and reports received.

#### ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

CAMIL does not make or receive any payments for client referrals in the U.S. Other than the management and performance-based fees outlined above, the Company does not receive any other compensation.

#### ITEM 15: CUSTODY

The overwhelming majority of CAMIL's separate account clients and investment funds maintain custody arrangements with independent qualified custodians to safeguard their funds and securities. However, CAMIL may sometimes have "custody" (as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940) of client funds and securities, even though it does not actually hold or maintain them.

For example, CAMIL or another Comgest company may act as the general partner, managing member or trustee for some Comgest investment funds that CAMIL advises, and CAMIL may have "custody" of those funds, as Rule 206(4)-2 uses that term, as a result. However, in reliance on SEC guidance, as a non-U.S.-based registered adviser, it is not subject to Rule 206(4)-2 with respect to non-U.S. funds in this scenario. Currently, CAMIL does not serve as a general partner, managing member or trustee for any client or investment fund.

CAMIL generally is not deemed to have "custody" of assets held in separately managed accounts since it does not have the authority to hold, directly or indirectly, funds or securities in the accounts or have the authority to obtain possession of them. Nor does CAMIL debit fees from any separately managed account.

Where CAMIL has "custody" (*e.g.*, based upon automatic billing or deduction practices), it will seek to confirm that the client receives required account statement quarterly directly from its qualified custodian.

Custodians generally provide periodic account statements directly to clients at their address of record that set forth the amount of funds and of each security in the account at the end of the quarter and that also set forth all transactions in the account during the period. Clients should review these reports carefully upon receipt. As noted in Item 13 above, CAMIL separately provides clients with additional reports or account statements providing account information. Clients should compare these carefully

to the account statements received from the custodian. If any discrepancy between the account statements is discovered, please contact CAMIL immediately.

## ITEM 16: INVESTMENT DISCRETION

CAMIL maintains investment discretion over all investment activities in client accounts in accordance with the terms of the fund's relevant Offering Document and client investment management agreements. CAMIL may seek to enter into sub-advisory agreements with other Comgest advisers for portfolio management services, but retains the right of final determination on investment decisions. The Company will delegate all non-discretionary investment advisory activities to other Comgest entities as necessary to provide the agreed services. CAMIL does not have any non-discretionary clients.

## ITEM 17: VOTING CLIENT SECURITIES

For those clients who have delegated proxy voting to CAMIL as well as the Comgest funds, CAMIL aims to systematically vote for all portfolio company proxies regardless of geography where technically feasible and in line with shareholder interests. CAMIL believes that the voting of proxies can be an important tool for institutional investors to promote best practices in corporate governance and votes all proxies in the best interests of its clients as investors. CAMIL will vote proxies and maintain records of voting of shares for which CAMIL has proxy voting authority in accordance with its fiduciary obligations and applicable law.

CAMIL uses the web-based proxy voting services of ISS (institutional shareholders services) for notification of company meetings and placing of votes. CAMIL also receives voting recommendations from ISS which are developed in accordance with the Comgest Voting Principles. CAMIL may at its discretion vote differently than the voting recommendation and any deviation from the voting recommendation based on Comgest Voting Rules will be documented. CAMIL does not vote in opposite directions for different clients in the same proxy. CAMIL endeavours to vote wherever possible, but may sometimes not vote due to (1) the absence of proper procedures by the custodian banks for certain funds and mandates; and (2) onerous formalities for voting in some of the countries where the funds and mandates are invested, e.g. where the blocking of shares is required.

A copy of Comgest's proxy voting policy is available upon request by contacting [info@comgest.com](mailto:info@comgest.com).

### **Voting reports**

The Comgest annual voting report includes qualitative information, commentary and statistics on the firm's voting in relation to each of its public funds for the previous year. The voting report is available upon request by contacting [info@comgest.com](mailto:info@comgest.com).

A summary of the voting activity related to Comgest public funds is also available in the firm's quarterly responsible investment reports. These reports are available upon request by contacting [info@comgest.com](mailto:info@comgest.com).

For separately managed accounts, Comgest can provide specific voting reports upon request by contacting [info@comgest.com](mailto:info@comgest.com).

### **Potential conflicts of interest**

A potential conflict of interest may arise when voting proxies of an issuer which has a significant business relationship with Comgest. Comgest has implemented policies and procedures in order to prevent and manage potential conflicts of interest. For example, in looking to avoid conflicts that may arise during the proxy voting process, Comgest will ensure that the following factors and procedures are maintained:

- Votes must be based on pre-determined proxy voting rules and any deviations need to be justified, thereby limiting discretion of fund managers/advisors and analysts.
- Comgest shall vote proxies based solely on the investment merits of the proposal without regard to any “affiliated” relationships or activities.
- Employees are required to report any positions held in other companies (e.g. directorships). With the exception of certain Comgest funds, employees do not sit on boards or hold other positions in the companies in which Comgest invests.
- Comgest will abstain from voting where a conflict of interest may arise (e.g. when a client account is invested in a Comgest fund).
- All employees are required to raise any other potential conflict of interest (e.g. business relationships with third parties) to the Compliance Officer of the entity concerned, after which a solution is sought and the conflict is logged.

### **ITEM 18: FINANCIAL INFORMATION**

CAMIL has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.