



Mirae Asset Global Investments (USA) LLC

Form ADV Part 2A
Firm Brochure
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This brochure provides information about the qualifications and business practices of Mirae Asset Global Investments (USA) LLC. If you have any questions about the contents of this brochure, please contact us at (212) 205-8300 or email us through our website at investments.miraeasset.us. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Mirae Asset Global Investments (USA) LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

Item 2: Material Changes

This Brochure, dated March 27, 2024, contains the following material change from the previously annual amended Brochure dated March 30, 2023:

- Item 4B has been updated to reflect that as of the close of business on May 12, 2023 Mirae Asset Emerging Markets Great Consumer Fund and Mirae Asset Emerging Markets Fund were converted to Global X ETFs.

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Item 4: Advisory Business

4.A: Firm Description and Principal Owners

Mirae Asset Global Investments (USA) LLC (the “Adviser”) is a Delaware limited liability company organized in April 2008 and located in New York, NY. The Adviser has been registered with the SEC since August 2008.

The Adviser is a wholly-owned subsidiary of Mirae Asset Global Investments (USA) Inc. The Adviser’s parent is majority-owned by Mirae Asset Global Investments Co., Ltd. (“Mirae Asset Korea”) and partially owned by Mirae Asset Global Investments (Hong Kong) Ltd. (“Mirae Asset Hong Kong”).

4.B: Types of Advisory Services

The Adviser provides investment management services as follows:

1. Sub-manager to non-U.S. affiliate investment vehicles including SICAVs¹, established under the laws of Luxembourg, that are managed by Mirae Asset Hong Kong, foreign investment trusts, index funds and private funds managed by Mirae Asset Korea and wrap products managed and sponsored by Mirae Asset Securities Co., Ltd. (“Mirae Asset Securities”) (collectively the “Foreign Funds”) and ETFs managed by Global X and Horizons ETFs Management (Canada) (collectively the “ETFs”);
2. Adviser may provide services to separately managed accounts (collectively “SMAs”), according to client investment objectives as specified in the investment management agreements;
3. Adviser to private investment funds, including venture capital funds and real estate funds (“Private Funds”), that are exempt from registration under the 40 Act and whose securities are not registered under the Securities Act of 1933, as amended. As the investment adviser of the Private Funds, the Adviser along with the general partners of the Private Funds, identify investment opportunities for, and participate in the acquisition, management, monitoring and disposition of investments of, each applicable Private Fund. Investment advice is provided directly to the Private Funds, subject to the discretion and control of the applicable Private Fund’s general partner, and not individually to the investors in a Private Fund. Services are provided to a Private Fund in accordance with an advisory agreement and/or organizational documents of a Private Fund. Investment restrictions, if any, are set forth in the organizational or offering documents of the Private Fund, advisory agreements and/or side letter agreements

negotiated with investors in the Private Fund (such documents collectively, “Organizational Documents”).

The Adviser mainly focuses on investments in equity and fixed-income securities, principally in global and emerging market equities and global and high-yield fixed income securities.

In Private Funds, the Adviser primarily invests in private equity securities of companies in the technology sector and real estate. Investments may range across all stages of development.

4.C: How Services are Tailored to Fit Client Needs

The Adviser formulates investment objectives, and directs and manages the investment and reinvestment of its products subject to the fundamental and non-fundamental investment policies adopted by the Foreign Funds, ETFs, SMAs and Private Funds. These policies are provided in the registration statements of the Foreign Funds, and ETFs and management or sub-management agreements. As for the SMA clients, the Adviser provides investment advisory services specifically tailored to the investment objectives and risk tolerance, as provided by the client, of such individual clients. These policies are provided in the Organizational Documents of the Private Funds.

4.D: Wrap Fee Programs

The Adviser does not sponsor Wrap Fee Programs.

4.E: Management of Client Assets

As of February 29, 2024, the Adviser’s assets under management for which it has investment discretion are \$4,231,054,757 and its assets under management for which it does not have investment discretion are \$8,835,425.

Item 5: Fees and Compensation

5.A: Description

The Adviser is compensated for its investment advisory services based on a percentage of assets under management. All fees are subject to negotiation.

Sub-Management Fees

As a sub-manager to the Foreign Funds and ETFs, the Adviser is entitled to receive sub-management fees ranging from 20% to 70% of the management fee received by the manager, which is calculated based on the monthly average of the daily net asset value of the Fund, as computed by the manager. The sub-management fee also depends on whether the manager

instruments, units of investment funds, deposits and financial derivative instruments.

¹ A “SICAV,” which stands for Société d’investissement à capital variable, is a type of open-ended investment fund with variable share capital that may invest in transferable securities, money market

waives receipt of its management fee, and in such case, the Adviser will not receive any sub-management fee.

Sub-management fees received from Mirae Asset Korea are calculated in Korean won ("KRW") and the calculation will be paid for its counter value in U.S. dollars ("USD") at the official published KRW/USD exchange rate at the payment date.

SMA Fees

As adviser for all other clients, the Adviser receives advisory fees that range from 0.60% to 1.00% of the clients' assets under management. The general fee schedule is listed below:

General annual fees charged for the SMAs are as follows:

- 1.00% of the first \$25,000,000 of market value
- 0.80% of the next \$25,000,000 of market value
- 0.70% of the next \$50,000,000 of market value
- 0.60% of the market value for the balance exceeding \$100,000,000

This fee schedule may be negotiable. In addition to the asset based fees described above, the Adviser may also charge performance based fees to institutional and/or non-U.S. clients meeting specific account minimums and regulatory requirements. For additional information on performance fees, see Item 6 below.

Private Fund Fees

As compensation for investment advisory and other services provided to Private Funds, the Adviser receives an advisory fee and other service fees from each Private Fund.

For a venture capital fund, during the commitment period, the Adviser will receive an annual management fee as a percentage of the aggregate commitments.

For a real estate fund, a trust management fee is declared in the Organizational Documents.

The precise amount of, and the manner and calculation of, the advisory fees for each Private Fund are set forth in each Private Fund's Organizational Documents, which are received by each investor prior to investment in a Private Fund. The advisory fees and other fees and distributions are generally subject to modification, waiver or reduction by the Adviser. The fee structures described herein may be modified from time to time.

Advisory Fees billed to and received from the Private Funds are generally payable quarterly in advance.

The Adviser may, in its sole discretion, reduce, waive or rebate all or a portion of its fee with respect to one or more limited partners (including the Adviser's affiliates) for any period of time, or agree to apply a different advisory fee for any limited partner.

The general partner of a venture capital fund may receive certain allocations and distributions calculated and charged based on a share of capital gains on or capital appreciation of the assets of such fund, as negotiated and determined at the time such fund is established and as set forth in its

Organizational Documents. These allocations and distributions are commonly known as "carried interest".

The general partner of real estate fund may receive fixed amount of acquisition fee as negotiated and determined at the time such fund is established and set forth in its Organizational Documents.

For Private Funds, as described in the Organizational Documents of the fund, the Adviser may pay the normal overhead and administrative expenses incurred by the Adviser or its affiliates in connection with the management of the Fund, including (i) salaries and wages of employees of the Adviser, (ii) travel and entertainment expenses, (iii) rent for office space used by the Adviser, (iv) expenses for equipment by the Adviser and (v) costs and expenses related to regulatory compliance (of the Adviser and the general partner).

The types of other fees and expenses incurred will vary by Private Fund. Further information may be found in the Organizational Documents of each applicable fund.

Investors should refer to the relevant confidential private offering memorandum and other Private Fund Organizational Documents for a complete understanding of Advisory Fees and Expenses. The information contained in this brochure is a summary only, and is qualified in its entirety by such documents.

5.B: Fee Billing

The sub-management fees are calculated daily and are paid either monthly or quarterly in arrears. All such fees are deducted from the Foreign Funds' and/or ETFs' assets.

For SMA clients of the Adviser, the advisory fees are generally paid quarterly in advance and such fees are deducted from the clients' assets. SMA fee billing is negotiable through the advisory contracts agreed upon in writing between the Adviser and its clients.

Advisory fees and other service fees billed to and received from the Private Funds are generally payable quarterly in advance.

5.C: Other Fees

The advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by other advisers or managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Although these charges, fees and commissions are in addition to the advisory fee, they are paid to other parties, and the Adviser does not receive any portion of these amounts.

The Adviser may invest in ETFs managed by an affiliate, in which case the affiliate will earn a management fee from the ETF.

Item 12 below further describes the factors that the Adviser considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

For Private Funds, as described in the Organizational Documents of the fund, each fund will bear all costs and expenses incurred by the Private Fund, its general partner, and the Adviser on behalf of the fund (except for those expenses borne by the Adviser as described above).

5.D: Advance Payments, Past Due Accounts and Termination of Agreement; Refund

Termination of Management and Sub-Management Agreements

Typically, a sub-management agreement will stipulate that the Adviser may terminate the agreement without payment of penalty or compensatory damages by providing sixty days' prior notice in writing to the other party. Terminating the respective agreement will not affect any outstanding orders or transactions or any legal rights or obligations that have already arisen. Transactions in progress at the date of termination will be completed by the Adviser as soon as practicable.

Typically, a sub-management agreement will stipulate that the Funds and/or manager of the Funds may terminate the agreement at any time without the payment of penalty or compensatory damages by providing the Adviser sixty days' prior notice, provided that such termination by the Funds or manager of the Funds is approved by a majority vote of the Funds' board of trustees. Terminating the respective agreement will not affect any outstanding orders or transactions or any legal rights or obligations that have already arisen.

The termination of advisory contracts between SMA clients and the Adviser is fully negotiable. General termination provisions may include immediate termination by a client for any reason or no reason at all upon written notice. The Adviser generally may terminate the agreement upon either 30 days prior written notice or immediately in the event that there are changes to a client's instructions, information, or circumstance that, in the Adviser's judgment, are inconsistent with the Adviser's investment management philosophy and policies. The Adviser may also immediately terminate an advisory contract in the event that the assets of a client fall below the Adviser's minimum asset level.

Different termination procedures may be negotiated between the Adviser and a client through the advisory contracts agreed upon in writing between the Adviser and its clients.

Withdrawal of Funds

A client may withdraw its assets and stop using the Adviser's services pursuant to the terms of the applicable advisory agreement.

Investors in Private Funds:

Investors in Private Funds generally may not withdraw any capital except as provided in the organizational or offering documents of the Private Fund.

5.E: Compensation for Sale of Securities or Other Investment Products

The Adviser does not receive any other compensation for the sale of securities or other investment products.

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

As described above, the Adviser may receive performance-based fees on certain separately managed accounts and Private Funds. Performance-based fees, where charged, are generally 20% on account returns exceeding a hurdle rate agreed upon by the client and are assessed after deduction of fees excluding the performance fee. The performance fees may be subject to high water marks or loss carryforwards.

The Adviser also provides investment advice to investment funds or separately managed accounts that do not charge performance-based fees. A performance-based fee may provide the Adviser with an incentive to engage in more speculative investment strategies in an effort to maximize an account's profits and receive greater compensation.

A portion of the profits of Private Funds are distributed to the general partners of the Private Funds as a performance allocation or carried interest. The general partners are affiliates of the Adviser. These payments are separate and distinct from any advisory fees paid to the Adviser but may create an incentive for the Adviser to disproportionately allocate time, services or functions to the Private Funds.

The Adviser has procedures that are designed and implemented to ensure that all clients are treated fairly and equally, and to prevent conflicts in trading between client accounts (including Private Funds). However, the investment programs for accounts with performance-based fees differ significantly from other clients, helping to minimize potential conflicts.

Item 7: Types of Clients

7.A: Description

The Adviser provides investment advice to:

1. Individuals;
2. Investment Companies;
3. Pooled Investment Vehicles;
4. Registered Investment Advisers;
5. Non-US registered funds;
6. Pension and Profit Sharing Plans;
7. Trusts, Estates, or Charitable Organizations and
8. Other institutional investors.

7.B: Account Minimums

The Adviser's investment minimum for opening an SMA is typically \$10 million, subject to anti-money laundering due diligence review. The Adviser may accept accounts with less than the minimum amount, at its discretion, depending on the nature of the account, the potential for future additions to the account and other factors.

The minimum initial capital commitment generally required for an investor in a Private Fund is \$1,000,000 (subject to a general partner's discretion to accept a lesser amount).

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

8.A: Methods of Analysis and Investment Strategies

With respect to equities, the Adviser focuses on a team-based, bottom-up investment approach supported by extensive on-the-ground research coverage. It utilizes investment research and analysis with respect to the sub-management of the ETFs, Foreign Funds, SMAs and certain Private Funds. The Adviser employs different methods relating to security analysis, including charting, fundamental research, technical analysis, cyclical analysis and other methods of analysis. With respect to fixed income investments, the Adviser employs a top-down investment approach in allocating assets based on the portfolio manager's judgment of changing market, political, and economic conditions. The portfolio manager considers various factors, including evaluation of interest rates, currency exchange rates, and the relative risk and return characteristics of prospective investments when determining how to achieve desired exposures. Actual exposures will vary over time.

The Adviser obtains the information it uses when investing and advising from inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, company press releases, and other sources of information that the Adviser deems useful.

The Adviser will make investments for each ETF, Foreign Fund, SMA or Private Fund pursuant to the investment guidelines and objectives agreed upon within the relevant management and sub-management agreement including, but not limited to, long-term and short-term purchases, trading, short sales, margin transactions, options and other strategies deemed appropriate.

The Adviser typically makes investments for clients (other than venture capital funds) in the following types of securities:

- (i) Equity and fixed-income securities including exchange-listed securities, securities traded over-the-counter and foreign issuers;
- (ii) Warrants;
- (iii) Corporate debt;
- (iv) Certificates of Deposit;
- (v) Mutual fund shares;

- (vi) U.S. government securities;
- (vii) Mortgage-backed securities;
- (viii) Options contracts on securities; and
- (ix) Futures contracts on intangibles

Venture capital funds invest in private equity securities of companies identified with disruptive technologies in sectors including, but not limited to artificial intelligence / data analytics, cloud computing, gaming, SaaS, digital health, Internet of Things, robotics, cleantech, shared economy, cybersecurity, online platforms, autonomous driving / electric vehicles, FinTech, blockchain, social networking, on-demand, e-commerce and other sectors where disruption is spotted.

8.B: Material Risks for Each Significant Method of Analysis and Investment Strategy

The material risks for the Adviser's significant methods of analysis and investment strategy lie in the particular risks of the securities in which the Adviser's clients invest as described below in Item 8.C. The Adviser cannot guarantee that it will achieve the investment objectives of the portfolios it manages or sub-manages. There are certain risks of investing in securities, and investors could lose money on an investment. Certain risks related to investing in the ETFs, Foreign Funds, SMAs and Private Funds that the Adviser manages or sub-manages are located below in Item 8.C.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

A more detailed description of the risks involved in a particular fund is available in the prospectus or offering document of the respective fund or Private Fund.

8.C: Material Risks Involved in Particular Types of Securities

The Adviser invests in multiple types of securities to achieve the investment objectives of the portfolios it manages and sub-manages. The Adviser cannot guarantee or assure you that your investment objective(s) will be achieved. The Adviser does not guarantee the future performance of any client's account or any specific level of performance, the success of any investment decision or strategy that it may use, or the success of its overall management of any account. The investment decisions the Adviser make for client accounts are subject to various market, currency, economic, political and business risks, and the risk that investment decisions will not always be profitable. An investment in the ETFs or Private Funds should be considered a long-term investment. The returns of the ETFs, Foreign Funds, SMAs and Private Funds will fluctuate over time. Below is list of risks that are involved with investing in the securities held in the ETFs, Foreign Funds, SMAs and Private Funds:

Credit Risk — The issuer of a fixed income security, or the counterparty to a contract, such as swaps or other derivatives,

may become unable or unwilling to meet its financial obligations. Various market participants, such as rating agencies or pricing services, also may affect the security by downgrading the credit of the issuer of the security, which may decrease the value.

Depository Receipts Risk — There may be less material information available regarding issuers of unsponsored depository receipts and, therefore, there may not be a correlation between such information and the market value of the depository receipts. Depository receipts are generally subject to the same risks as the foreign securities.

Derivatives Risk — The Adviser may utilize derivatives for hedging purposes, to enhance returns or to obtain exposure to various market sectors. The risks of derivatives include liquidity, interest rate, market, credit and management risks. The instrument may be also mispriced or improperly valued, and the Fund could lose more than the principal amount invested. Unpredictable or rapid changes in the currency markets could also negatively affect the value of currency derivatives, such as currency forward/futures contracts. Derivatives also may give rise to increased leverage, and the Fund may become more volatile to market changes. The extent and impact of potential new regulation regarding the derivatives markets is not yet known and may not be known for some time. Such regulation may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives.

Emerging Markets Risk — The risks of foreign investments are typically greater in less developed countries, which are sometimes referred to as emerging markets. For example, political and economic structures in these countries may be changing rapidly, which can cause instability and greater risk of loss. These countries are also more likely to experience higher levels of inflation, deflation or currency devaluation, which could hurt their economies and securities markets. For these and other reasons, investments in emerging markets are often considered speculative.

Equity Securities Risk; Stock Market Volatility — Equity securities include common and preferred stocks. Stock markets are volatile. The value of equity securities is affected by changes in a company's financial condition and overall market and economic conditions. Preferred stock may be subject to optional or mandatory redemption provisions.

Exchange-Traded Funds Risk — The Adviser may invest the accounts it manages directly in exchange-traded funds ("ETFs"). An ETF is generally a passive investment vehicle and generally will not attempt to take defensive positions if the market becomes volatile or adversely affected by certain events. If the Fund purchases shares of an ETF, shareholders will bear both their proportionate share of the Fund's expenses and, indirectly, a portion of the ETF's expenses. In addition, ETFs are subject to risks due to their shares being listed and traded on securities exchanges and there can be no assurance that an active trading market for these particular ETFs will develop or be maintained.

Foreign Securities Risk — Foreign investments may be subject to different and, in some cases, less stringent regulatory and disclosure standards than U.S. investments. Also, political concerns, fluctuations in foreign currencies and differences in

taxation, trading, settlement, custodial and other operational practices may result in foreign investments being more volatile and less liquid than U.S. investments. Because foreign investments are typically issued and traded in foreign currencies, their values may be significantly affected by changes in exchange rates between foreign currencies and the U.S. dollar. Foreign regulatory and fiscal policies may affect the ability to trade securities across markets. Foreign markets may also differ widely in trading and execution capabilities, liquidity and expenses, including brokerage and transaction costs. Brokerage and transaction costs are generally higher for foreign securities than for U.S. investments.

Geographic Concentration Risk — A small number of companies and industries may represent a large portion of the market in a particular country or region, and these companies and industries can be sensitive to adverse social, political, economic or regulatory developments in that country or region.

High Portfolio Turnover Risk — A Fund, Foreign Fund, or SMA may engage in active and frequent trading to achieve its principal investment objectives. This may result in the realization and distribution to shareholders of higher capital gains as compared to a Fund with less active trading policies, which would increase an investor's tax liability unless shares are held through a tax deferred or exempt vehicle. Frequent trading also increases transaction costs, which could detract from the Fund's performance.

Inflation Risk — Inflation risk is the risk that the present value of assets or income from investments will be less in the future as inflation decreases the value of money. The present value of a Fund's assets and distributions can decline as inflation increases.

Interest Rate Risk — The value of fixed income securities is generally affected by changes in interest rates. The value of the securities will generally decrease when the interest rates increase, and the value of the securities will generally increase when the interest rates decrease. Fixed income securities with longer maturities tend to be more sensitive to changes in interest rates. The changes in interest rates also affect extension or prepayment risk.

Large-Cap Securities Risk — Securities issued by large-cap companies tend to be less volatile than securities issued by smaller companies. However, larger companies may not be able to attain the high growth rates of successful smaller companies, especially during strong economic periods, and may be unable to respond as quickly to competitive challenges.

Market Risk — The market value of fixed income securities could fluctuate unpredictably or rapidly due to various factors that could affect a few issuers, specific industries, or the entire general securities market.

Mortgage-Backed Securities Risk — The value of mortgage-backed securities is largely determined by the market's perception of the real estate assets backing the securities, the credit quality of the underlying mortgage loans, whether the mortgage loans are bankruptcy-remote from the originators and other affiliated entities, and the amount and quality of any credit enhancement of the securities, such as overcollateralization, letters of credit, reserve funds and

guarantees. Mortgage-backed securities are subject to the general risks associated with investing in real estate securities (i.e., they may lose value if the value of the underlying real estate to which a pool of mortgages relates declines). Additionally, although mortgages and mortgage-related securities may be supported by some form of guarantee and/or insurance, there can be no assurance that private guarantors or insurers will meet their obligations. Mortgage-backed securities are sensitive to changes in interest rates and are especially susceptible to prepayment and extension risks.

Non-Diversification Risk — A Fund may be a non-diversified Fund. Because the Fund may invest in securities of a smaller number of issuers, it may be more exposed to the risks associated with and developments affecting an individual issuer than a Fund that invests more widely.

Selection Risk — The securities selected by the Adviser may underperform the market or other securities.

Small- and Mid-Cap Securities Risk — Securities of small- and mid-sized companies may be more volatile and subject to greater risk than securities of larger companies. Small- and mid-cap companies may have limited financial resources, product lines and markets, and their securities may trade less frequently and in more limited volumes than the securities of larger companies, which could lead to higher transaction costs.

Sovereign Debt Risk — A sovereign debtor may be unable or unwilling to meet its financial obligations of the securities due to its cash flow, the condition of its reserves, the size of the debt service, changed policies toward international lenders, political constraints and other various factors. These risks are further increased for sovereign issuers in emerging markets.

Venture Capital Investment Risks — Venture capital investments involve a high degree of risk, including significant financial and operating risks. The timing of profit realization is highly uncertain. Losses are likely to occur early in a venture capital fund's life and successes often require a longer time frame.

Specific risks of venture capital investments include:

- **Competition for Investments.** There will be competition for investments from other potential investors, many of which will have significant financial resources. As a result, there can be no guarantee that a sufficient quantity of suitable investment opportunities will be found, that investments on favorable terms can be negotiated, or that the full value of the investment will be realized.
- **Concentration of Investments.** The investment focus is on, but not limited to companies and management teams in several industries where disruption of existing technologies and businesses is identified. Investments may also be concentrated in US regions and occasionally outside of the US where strong competitive advantages are spotted. A downturn of the economy in any of these industries, regions or in the performance of any one company could negatively impact the aggregate returns of a venture capital fund.
- **Investments in Less Established Companies.** Investments in such companies may involve greater risks than are generally

associated with investments in more established companies. The securities of such companies, even if and when publicly traded, may be subject to more abrupt and erratic market price movements than larger, more established companies. Less established companies also tend to have a lower capitalization and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance.

- **Investment in Companies Dependent Upon New Scientific Developments and Technologies.** The value of technology companies may be susceptible to factors affecting these technology industries and to greater risk and market fluctuation than an investment in other securities. The specific risks faced by such companies include: rapidly changing science and technologies; products or technologies that may quickly become obsolete; scarcity of management, technical, scientific, research and marketing personnel with appropriate training; the possibility of lawsuits related to patents and intellectual property; and rapidly changing investor sentiments and preferences with regard to technology sector investments (which are generally viewed as risky).
- **Reserves.** As is customary in the industry, a general partner may elect to establish reasonable reserves for follow-on investments by a Private Fund in portfolio companies, operating expenses, Private Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which directly tie to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the Limited Partners. If reserves are inadequate, the Private Fund may be unable to take advantage of attractive follow-on or other investment opportunities, or to protect its existing investments from dilutive or similar terms. If reserves are excessive, the Private Fund may have declined attractive investment opportunities on the basis of such reserves being held for other purposes for which they were never ultimately utilized.
- **Limitations on Ability to Exit Investments.** Exit from venture capital investments is generally done in two principal ways: (i) private sales (including acquisitions of the companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these exits may not be available or timing with respect to these exit mechanisms may be inopportune. There is a significant risk that the investment cannot be disposed of by sale or other disposition at attractive prices or otherwise.
- **Valuation of Securities.** Different methods of valuing securities may provide materially different results. Actual realized returns on all unrealized investments will depend, among other things, on the value of the securities at the time of disposition, any related transaction costs and the manner of sale. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to an investor.
- **Issuer and Non-Issuer Transactions.** The Private Funds will acquire their investments through both issuer and non-

issuer transactions. In the case of a non-issuer transaction, a Private Fund will purchase securities from existing shareholders (either directly or by means of a secondary market). In many cases, the price that a Private Fund must pay to acquire securities in a non-issuer transaction will exceed the price that it would have paid if it were able to have acquired such securities directly from the issuer. Furthermore, in the event of a nonissuer transaction, there is no guarantee that a Private Fund will accede to same rights (e.g., information, voting, right of first refusal) as the selling shareholder.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

10.A: Broker-Dealer Registration

Not Applicable.

10.B: Commodities Registration

The Adviser is an exempt commodity pool operator.

10.C: Other Material Relationships or Affiliations

The Adviser is part of a large, global financial services company and, as such, has relationships and affiliations with many other entities engaged in the financial industry.

Various entities serve as general partners of the Private Funds, and are related persons of the Adviser. Members of the Adviser's senior management team serve as officers with certain of the Adviser's investment adviser affiliates including Global X Management Company LLC ("Global X") a registered investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") and as a director of Horizons ETFs Management (Canada) Inc.

The Adviser also serves as a sub-adviser to Foreign Funds, which are advised by Mirae Asset Hong Kong, Mirae Asset Korea, Mirae Asset Securities, Horizons ETFs Management (Canada) and ETFs managed by Global X.

The provision of investment management services to multiple investment companies or funds could result in a conflict of interest when multiple investment companies or funds are interested in the same investment opportunity or in transacting in the same security. The Adviser has adopted trade aggregation and allocation policies and procedures to manage such potential conflicts.

On occasion the Adviser shares offices with affiliates. The Adviser provides certain services to its affiliates to provide

back office support. These services include legal, compliance, operations, risk, finance and human resources.

The Adviser, subject to best execution, will occasionally place trades with its affiliated broker-dealers, Mirae Asset Securities (USA), Inc., Mirae Asset Wealth Management (USA) Inc., Mirae Asset Securities (HK) Ltd. or Mirae Asset Securities.

The Adviser has affiliated limited liability companies that serve as general partners of the Private Funds and may receive the performance compensation described in Item 6.

10.D: Referral Practices

The Adviser does not recommend or select other investment advisers for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

11.A: Code of Ethics

The Adviser has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act which sets forth standards of ethical and business conduct expected of its personnel and addresses conflicts that may arise from personal trading by its personnel. The Adviser's Code of Ethics, among other things, requires compliance with the U.S. federal securities laws, reflects the Adviser's fiduciary responsibilities and those of its Advisory personnel, prohibits certain personal securities transactions, requires the Adviser's personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions and addresses prevention of the misuse of material non-public information. The Code of Ethics will be provided to any investor or potential investor upon request.

11.B: Participation or Interest in Client Transactions

The Adviser may trade and invest for its own account in securities and other financial instruments that are similar to or different from those in which its clients invest. In certain instances, the activities or strategies used by the Adviser for one client could conflict with the activities and strategies employed in managing the assets of another client and therefore result in limited investment opportunities and/or higher priced securities. The Adviser will seek to resolve such conflicts of interest in a fair and equitable manner in accordance with its Code of Ethics (as described above in Item 11.A) and Trade Aggregation and Allocation Policy (discussed below in Item 12.B). Conflict resolution may result in a client receiving more or less consideration than it may have otherwise received in the absence of such a conflict of interest.

The Compliance Department of the Adviser reviews trades and may request immediate action from the Investment Team in case of any irregularity. Any irregularity is reported to the Head of Operations.

The Adviser and certain affiliates of the Adviser may from time to time invest in and alongside a Private Fund, either through the general partner, as direct investors in a Private Fund or otherwise. A Private Fund or its general partner, as applicable, may reduce all or a portion of the advisory fee and carried interest related to investments held by such persons. In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Private Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Generally, many conflicts of interest will be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Private Fund. Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts

11.C & D: Personal Trading

The Adviser and its affiliates' personnel ("Adviser Personnel") may buy and sell certain securities for their own accounts that the Adviser buys and sells for its clients so long as pre-clearance is obtained before executing any personal trade. The Adviser has established internal policies, including the adoption of a Code of Ethics (discussed above in Item 11.A), designed to ensure that Adviser Personnel do not unfairly benefit from personal trading at the expense of any of the Adviser's clients.

Item 12: Brokerage Practices

12.A: Selecting Brokerage Firms

As the Private Funds invest primarily in early stage and later-stage private companies, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to its clients, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

In selecting broker-dealers to effect transactions for all its accounts, the Adviser, subject to its written policies and overall duty to obtain "best execution" of transactions (described below in Item 12.B), has authority to consider the full range and quality of the services and products provided by various brokers. The Adviser will take into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration:

- Price;
- Size of the transaction;
- Nature of the market for the security;
- Broker-dealer's facilities, reliability and financial responsibility;

- Ability of the broker-dealer to effect securities transactions, particularly with regard to such aspects as timing, order size and execution of orders;
- Research, brokerage and other services provided by such broker-dealer to the Adviser, and;
- Ancillary services such as capital introduction.

The Adviser is not required to solicit competitive bids and will not have an obligation to seek the lowest available commission cost. Accordingly, the Adviser may cause a client to pay a broker-dealer that provides brokerage or research services (either directly or through third-party relationships) an amount of commission or transaction cost in excess of that which another broker-dealer would have charged, if the Adviser determines in good faith that such commission or transaction cost is reasonable in relation to the value of brokerage, research or other services provided. The Adviser may use an affiliated broker-dealer, subject to best execution.

The process of broker selection is segregated according to the market they act in and the type of broker (e.g., research or discount broker). Traders at the Adviser are in charge of managing the allocation of trades among brokers and the Compliance Department is responsible for monitoring the percentage of allocation. In case of any deviation, the Investment Team will have to justify the occurrence to the Compliance Department.

12.A.1: Research and Other Soft Dollar Benefits

The Adviser may receive research, products, or other services that are bundled with trade execution, clearing, settlement, and/or other traditional services provided by a particular broker-dealer in connection with client securities transactions ("soft dollar benefits"). The Adviser may cause clients to pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain such research or brokerage services. The Adviser will enter into soft dollar arrangements in accordance with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. In some cases, the Adviser may cause our clients to pay higher commissions than those charged by other available broker-dealers through a Commission Sharing Agreement (CSA) in return for credits that are deemed soft dollar benefits. The Adviser uses soft dollar transactions for research and investment data provided by the executing broker and/or for third-party research and investment data paid for by the executing broker. Research and related services furnished by brokers may include (but are not limited to) written information and analyses on specific securities or sectors; market, financial and economic studies and forecasts; statistical services, discussions with research personnel, as well as software, data bases and other technical services utilized in the investment management process. The Adviser does not pay a specific amount of commissions to any executing broker and only uses soft dollar credits for services that facilitate the investment management process.

The Adviser may have an incentive to select a broker that will provide research; however, the Adviser makes a good faith

determination that the commissions paid are reasonable in relation to the value of the brokerage and research services provided, in terms of a particular transaction and our responsibility to our clients. The Adviser cannot assure that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and the Adviser does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by their accounts.

The Adviser benefits from any research received in soft-dollar transactions, because the Adviser does not have to produce or pay for the research, products or services received. During our last fiscal year, the Adviser did not direct any individual client transaction to a particular broker in return for soft dollar benefits.

12.A.2: Brokerage for Client Referrals

The Adviser does not receive client referrals from a broker-dealer or third party. The Adviser has no incentive to select or recommend a broker-dealer nor does the Adviser direct client transactions to a particular broker-dealer in return for client referrals.

12.A.3: Directed Brokerage

The Adviser may permit a client to enter into directed brokerage arrangements, where such client directs the Adviser to execute commission-based transactions through a specified broker-dealer, but the Adviser does not routinely recommend, request, or require its clients to direct brokerage.

If a client directs the Adviser to send commission business to particular broker-dealers, the client may pay higher brokerage commissions due to the Adviser's inability to save on execution costs that might otherwise be obtained, such as volume discounts on aggregated orders. A client may also receive less favorable commission rates on directed transactions if the specified broker-dealer's fees are higher than other available broker-dealers. The Adviser generally does not negotiate commissions but directed brokerage could impact the Adviser's ability to negotiate commissions on its clients' behalf by reducing the volume of trades for which it could negotiate.

Directed orders are not aggregated with other orders unless it is determined that no client will be disadvantaged.

12.B: Order Aggregation and Best Execution

The Adviser has adopted a trade aggregation and allocation policy (the "Trade Aggregation and Allocation Policy"). The Adviser may aggregate sales and purchase orders of securities for orders being made simultaneously for more than one account managed by the Adviser or with accounts of the affiliates of the Adviser. In accounting for such aggregated order, price, commission and other expenses shall be averaged on a per transaction basis.

The Adviser has a fiduciary obligation to use its best efforts to ensure that no client is treated unfairly in relation to any other client in the allocation of securities or investment opportunities or in the order in which transactions are executed. The Adviser will seek to allocate orders and investment opportunities among clients in a manner that it believes is equitable and in the best interests of all of its clients. Although such allocations may be pro rata among participating clients, they will not necessarily be so where the Adviser's allocation policies (e.g., taking into account differing objectives or other considerations) dictate a different result. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. The foregoing policy does not require that each opportunity be made available to all accounts, leaving significant discretion to the Adviser. For example, there may be accounts with different objectives, so that the same transaction would not necessarily be made available to all accounts.

In dealing on its clients' behalf, the Adviser will at all times strive to obtain best execution of each trade. The Adviser will take reasonable care to obtain the best price available for its clients in the relevant market at the time, for transactions of the kind and volume concerned, taking into account all mark-ups, mark-downs, commissions, fees and charges payable to or receivable by the broker with whom the Adviser is executing the transaction.

The Adviser, from time to time, may cause certain Foreign Funds or Private Funds to transfer positions in particular securities between the Foreign Funds or between the Private Funds, subject to relevant law. The Adviser does not cross trade between the Funds or the SMAs. However occasionally we do cross trade real estate assets which are not securities.

Item 13: Review of Accounts

13.A: Review Responsibilities and Periodic Reviews

The Adviser's portfolio manager for each ETF, Foreign Fund, SMA or Private Fund will be primarily responsible for ensuring that the portfolio holdings are consistent with the terms of the management, sub-management or advisory agreements and the ETF's, Foreign Fund's and/or Private Funds disclosures set forth in the prospectus or offering document. In addition, the portfolio manager, together with the Adviser's Co-Chief Executive Officer conduct regular reviews as part of their general monitoring processes, in addition to ad-hoc reviews, as necessary to determine that the securities and other financial instruments held by each portfolio remain consistent with the prospectus, management and sub-management agreements, and will generally review each portfolio's performance on an ongoing basis. The portfolio companies of each Private Fund are generally private, illiquid and long-term in nature and accordingly, the Advisers' review of them is not directed towards a short-term decision to dispose of securities.

13.B: Review of Client Accounts Other than on a Periodic Basis

Account reviews of the ETFs, Foreign Funds SMAs and Private Funds are conducted on a continuous basis by the Adviser. Although the final investment decisions are made by the portfolio managers, the investment process generally is organized as a team effort with different teams managing different accounts. The team structure is designed to provide checks and balances through internal research to facilitate the Adviser's ability to identify and respond quickly to meaningful market changes that affect existing and potential holdings.

13.C: Reports to Clients

The Adviser may provide a monthly or quarterly (depending on specific client agreement) report showing the percentage performance of the account. The reports may also include:

- List of purchases and sales classified by type;
- Evaluation of management results: total investment rate of return of the holding assets and the holding ratio on each of the Funds managed or sub-managed;
- Details of management including all fees and taxes arising from transactions, and,
- Details of valuation of the portfolio to the best ability of the Adviser.

Other reports may be prepared in addition to or in lieu of the reports described above based upon the reporting arrangements agreed to between the Adviser and its clients.

Additionally, the account custodian provides statements to clients on a monthly basis. Clients are encouraged to compare the reports issued by the Adviser with the statements provided by account custodian(s).

Investors in Private Funds generally receive quarterly reports and annual reports and annual audited financial statements. Each of the Private Funds' investors will receive annual audited financial statements of the Private Funds. Investors in each Private Fund will receive tax information in connection with the preparation of their federal income tax returns. All reports to investors in the Private Funds are in writing.

Item 14: Client Referrals and Other Compensation

14.A: Economic Benefits from Someone Who is Not a Client

Not Applicable.

14.B: Compensation for Client Referrals

The Adviser does not compensate any person for client referrals.

Item 15: Custody

The Adviser generally does not take custody of client funds or securities.

The Adviser is deemed to have custody of each Private Fund's securities and cash for purposes of Rule 206(4)-2 of the Advisers Act. In order to comply with Rule 206(4)-2, the Adviser utilizes the services of a bank and other qualified custodians to hold all cash and securities of the Private Funds (except with respect to privately offered securities). In accordance with Rule 206(4)-2, the Adviser also (1) has engaged an independent public auditor to conduct annual audits of the Private Funds, and (2) distributes audited financial statements of the Private Funds that are prepared in accordance with United States generally accepted accounting principles to all investors in the Funds within at least 120 days after the end of the fiscal year. Qualified custodians are not expected to provide account statements directly to investors in the Private Funds.

Item 16: Investment Discretion

With respect to the ETFs, Foreign Funds and the SMAs, the Adviser generally has discretionary authority to determine, without obtaining specific account consent, securities to be bought or sold, the amount of securities to be bought or sold, the broker-dealer to be used, and the commission rates paid. Any limitations on authority are included in the relevant advisory or sub-advisory agreement.

The Adviser generally has discretionary authority to manage Private Fund's investments in accordance with the terms and conditions of the Organizational Documents, including which portfolio companies to buy or sell and the duration of the holding period prior to exiting such investments.

Item 17: Voting Client Securities

17.A: Proxy Voting Policy

The Adviser may have opportunities to vote the proxies of companies on behalf of its clients. In voting proxies, the Adviser is guided by general fiduciary principles. The Adviser's goal is to act prudently, solely in the best interests of its clients and consistent with efforts to achieve a client's stated objectives, including maximizing portfolio value.

Since the Adviser has discretionary authority over the securities held by the ETFs, Foreign Funds, SMAs and Private Funds, it is therefore viewed as having proxy voting authority. The Adviser may not exercise proxy voting authority for Foreign Funds where it serves as a sub-adviser. The Adviser has a duty to cast votes in the best interest of clients and not subrogate client interests to its own interests. The Adviser is subject to Rule 206(4)-6 under the Advisers Act, which places specific requirements on registered investment advisers with proxy voting authority. To meet its obligations under the rule, the Adviser has adopted written proxy voting policies and procedures, which are designed to ensure that the Adviser

votes proxies in the best interest of its clients and addresses how the Adviser will resolve any conflict of interest that may arise when voting proxies. The Adviser also engages an independent third party proxy voting service vendor to assist with its fiduciary obligations in respect of voting client securities.

The general policy of the Adviser is to vote proxy proposals, amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a prudent manner that serves the best interests of the Funds, as determined by the Adviser in its discretion, and taking into account relevant factors, including, but not limited to: (1) the impact on the value of the securities; (2) the anticipated costs and benefits associated with the proposal; (3) the effect on liquidity; and (4) customary industry and business practices.

In addition, the Adviser follows procedures that are designed to identify conflicts or potential conflicts that could arise between its own interests and its client's interests. If it is determined that any such conflict or potential conflict is not material, the Adviser may vote proxies even with the existence of the conflict. If a conflict of interest or potential conflict of interest is material, appropriate Adviser personnel will endeavor to agree upon a method to resolve such conflict before voting proxies affected by the conflict.

A copy of the entire Proxy Voting Policy and information as to specific votes are available to clients upon request.

17.B: No Authority to Vote Proxy

For the portfolios where the Adviser does not have investment discretion, the Adviser will not have authority to vote the proxies of companies on behalf of its clients. Proxy voting authority will be granted to the party, whether it is another investment adviser, financial institution or individual, that has investment discretion over such portfolios. Clients should contact the party that has proxy voting responsibilities to obtain information regarding proxies voted on behalf of their account. The Adviser may, by specific agreement with an SMA client, disclaim proxy voting authority.

Item 18: Financial Information

Not Applicable.