

NS Partners Ltd
Firm Brochure
(Part 2A and 2B of Form ADV)

NS Partners Ltd

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This brochure provides information about the qualifications and business practices of NS Partners Ltd (NS Partners). If you have any questions about the contents of this brochure, please contact us at +44 (203) 535-8100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about NS Partners is also available on the SEC's website at www.adviserinfo.sec.gov.

NS Partners is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.



Material Changes

There are no material changes since our 2015 submission.

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Advisory Business

NS Partners has been in business since January 1988. The firm was first established in 1976 as the international investment management arm of the Bank of America NT & SA. In 1988, following a management buyout from the bank, the firm changed its name to WorldInvest Limited and then to New Star Institutional Managers Limited in 2001 after the company was acquired by New Star Asset Management Group plc.

In April 2009, the parent company, New Star Asset Management Group, was acquired by the Henderson Group Plc, an investment management holding company based in London, England.

Effective July 1, 2011, New Star Institutional Managers Limited joined the Connor, Clark & Lunn Financial Group Ltd. (CCLFG) multi-boutique platform. As a result, CCLFG effectively replaced Henderson as the major partner. On October 30, 2012 the firm changed its name to NS Partners Ltd. NS Partners' senior management and CCLFG are equal partners in NS Partners. CCLFG handle all back office support thereby allowing NS Partners to focus entirely on portfolio management and client service.

NS Partners Ltd is owned 100% by NS Partners UK LLP which is itself owned 50% by the partners (Oliver Adcock, Dan Baring, Ian Beattie, Timothy Bray, Christopher Burling, Brian Coffey, Anna Kirk, Anna Stradling and Simon Ward) and 50% by Connor, Clark & Lunn UK Ltd.

Connor, Clark & Lunn UK Ltd is owned 100% by Connor, Clark & Lunn UK Holdings Ltd which in turn is 100% owned by Connor, Clark & Lunn Financial Group LP. Connor, Clark & Lunn Financial Group LP is 99.9% owned by Connor, Clark & Lunn Financial Group Investment Partnership which in turn is owned 97% by Connor, Clark & Lunn Financial Group Ltd.

NS Partners primarily provides investment advice and management on a discretionary basis, constituting "investment supervisory services" to U.S. and non-U.S. accounts. The firm specializes in global equity investments.

Depending on the nature of the mandate, clients may be able to impose reasonable restrictions on investing in certain securities or instruments. Institutional investors with separate account agreements are, to some extent, able to tailor the advisory services they receive to meet their individual needs. Investors in pooled investment vehicles are not able to tailor their mandates and their investments are governed by the same prospectus or offering memorandum applicable to all investors.

NS Partners is strictly a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with brokers or entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Assets under Management (December 31, 2015)

Discretionary Assets:	\$1,954,052,483
Non-Discretionary:	—
Total:	\$1,954,052,483

Assets under management above are calculated in accordance with Form ADV Part I instructions.

Fees and Compensation

NS Partners charges clients for investment advisory services based on a percentage of assets under management. Compensation is payable generally in arrears and on a quarterly basis. Typically, the Investment Management Agreement between NS Partners and a particular client will specify how the firm's fees will be paid. Fees are not deducted from client accounts automatically; clients may choose whether to pay fees separately or have them deducted from the account on a specified date.

However, certain accounts such as mutual funds calculate advisory fees based upon average daily assets. NS Partners may impose investment minimums on certain types of accounts.

All client contracts will include a fee schedule agreed to by the client and NS Partners. Typically, clients are charged according to the standard fee schedules for standard mandates. To ensure the equal treatment of all clients, NS Partners' standard fee schedules are generally not negotiable and are subject to contractual restrictions relating to existing clients. Performance fees may be negotiated.

Investment management fees do not include fees that a separate client account pays to other third party service providers, such as custodial, third party money manager, consultant, brokerage and exchange fees.

Single market, mutual funds and other mandates (including non-U.S. clients), may fall outside of the core fee scales. These can be individually negotiated dependent upon mandate type, complexity of investment guidelines and size of portfolio. For sub-advisory agreements, the fee will depend on the fees charged in the underlying funds.

Performance-Based Fees

If requested by a client, NS Partners may agree a performance fee; any such arrangements will be in compliance with applicable laws and regulations, including Rule 205-3 under the Investment Advisers Act of 1940. NS Partners has no scale for performance fees since each arrangement has to reflect the differences between the benchmarks chosen, the degree of outperformance versus the benchmark and the time horizon of the measurement period. All such arrangements are subject to individual negotiation with the client.

Although performance-based fee arrangements may create an incentive for an adviser to favor higher fee paying accounts over other accounts in the allocation of investment opportunities, NS Partners has designed and implemented procedures to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among client accounts.

Types of Clients

NS Partners provides investment advisory services to:

- Pension and profit sharing plans
- Endowments and foundations
- Corporations and business entities
- Trusts, estates and charitable organizations
- Banks and thrift institutions
- Investment companies

Generally, for separately managed accounts, the minimum investment is \$25 million. For clients for whom the minimum investment is not attainable there may be pooled vehicles available.

Methods of Analysis, Investment Strategies and Risk of Loss

NS Partners uses a fundamental method of analysis. The main sources of information include inspections of corporate activities, annual reports, company press releases, prospectuses, research material prepared by outside analysts, corporate ratings services and financial newspapers and magazines.

In addition to the investment managers' research based company analysis, the portfolio managers will conduct meetings with representatives from companies in whom we have an existing or prospective interest. Meetings may be held in the relevant company's locality or at NS Partners' offices.

The investment strategies used are mainly long-term purchases (securities held for more than a year) with some short-term purchases (securities held for less than a year). In addition, NS Partners may utilize:

- forward and spot currency contracts incidental to settlement of independent securities transactions, and forward currency contracts to protect portfolio values against currency risks;
- convertible securities and preferred stock;
- futures contracts on stock market indices
- exchange traded funds or country funds.

Investing in international securities involves certain risks and increased volatility not associated with investing solely in the US. These risks include currency fluctuations, economic or financial instability, the lack of timely or reliable financial information or unfavorable political or legal developments. These risks are magnified in emerging markets. The global equity strategies may invest in securities issued by smaller companies, which typically involve greater risks than investing in larger companies. The strategies may invest in limited geographic areas and/or sectors which may result in greater market volatility.

The value of investments and any income from them may fall as well as rise and investors may not get back the amount originally invested. In addition, the value of investments may increase or decrease as a result of changes in exchange rates between currencies.

NS Partners uses an integrated investment approach based on company research, sector trends, economic and liquidity and risk analysis. Investment strategy is set in line with the investment policy of the client as established in the Investment Management Agreement. The portfolio managers, all based in London, take a team-based approach to the management of all accounts. Individual members of the team are responsible for designated geographical regions. Decisions on investment style and strategy are taken collectively for all accounts with similar mandates to ensure they are managed consistently and in line with the individual client investment objectives and restrictions.

Asset allocation and "house" policy is determined at regular investment team meetings and monitored and implemented by the portfolio managers in accordance with the client's investment objectives and restrictions. Portfolio managers analyze stock specific price movements, company news, and macroeconomic data continuously to ensure they are able to maintain their investment strategy. The co-CIOs are responsible for ensuring that portfolio managers continue to implement the appropriate strategy for their clients; thereby meeting the overall investment objective of the client. Ongoing oversight ensures that the investment strategy is set and implemented in a timely manner. NS Partners utilizes a number of meetings to determine investment strategy.

The key meetings are:

- Weekly Investment Policy Committee – economic update, liquidity conditions, monitoring of strategy and performance, sector allocation, performance and performance attribution and estimated ex ante tracking error and portfolio beta
- Bi-weekly Stock Meetings – review of fundamentals of all stocks owned (and major index stocks not owned) which are significantly outperforming or underperforming benchmark
- Ad hoc Stock Purchase (or sale) discussion – portfolio manager discusses a specific stock recommendation covering rationale for purchase and economic profit analysis.

Disciplinary Information

NS Partners and its employees have not been involved in any legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

NS Partners is not affiliated to any broker-dealer. In addition, the firm is not associated with any futures commission merchant, commodity pool operator, or commodity trading advisor.

NS Partners is authorized to undertake investment business in the UK by the Financial Conduct Authority.

Through its partnership with Connor, Clark & Lunn Financial Group Ltd (“CCLFG”), NS Partners has direct relationships with:

- Connor, Clark & Lunn Financial Group LP is a related party as outlined in Schedule B of the ADV Part I. Connor, Clark & Lunn Financial Group LP provides non-investment management related functions to the SEC registrant, including legal, compliance, accounting, back office, IT, sales and Marketing as discussed within the Client Referrals and Other Compensation section of this brochure. The depth and breadth of the skills that flows from the centralization of resources enables the SEC registrant to benefit from high quality operational support that is structured into functional teams made up of over 175 employees.
- Connor, Clark & Lunn UK Ltd – a wholly owned subsidiary of CCLFG providing administrative services to CC&L, including trade support
- NS Partners Canada Ltd – a firm offering investment management advisory services to Canadian clients
- Connor, Clark & Lunn Investment Management Ltd – a firm offering investment management advisory services to Canadian clients
- Connor, Clark & Lunn Private Capital Ltd – a firm offering investment management advisory services to Canadian clients

NS Partners does not receive compensation directly or indirectly from any other business relationship that could create a potential conflict of interest.

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

NS Partners seeks to foster a reputation for integrity and professionalism.

The confidence and trust placed in us by investors is highly valued and must be protected. Any activity that creates any actual or potential conflict of interest or even the appearance of any conflict of interest must be avoided.

The directors, officers and employees of NS Partners have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The Code of Ethics has been adopted to ensure that those who have knowledge of portfolio transactions or other confidential client information will not be able to act thereon to the disadvantage of NS Partners’ clients. The Code of Ethics does not purport to comprehensively cover all types of conduct or transactions which may be prohibited or regulated by the laws and regulations applicable.

Personal Trading

NS Partners and its directors, officers and employees may buy or sell securities that are also held by clients but may not trade their own securities ahead of client trades. Directors, officers and employees must comply with the provisions of the Code of Ethics and the NS Partners Policies & Procedures Manual.

The Chief Compliance Officer of NS Partners is Anna Kirk. Pre-trade approval for all personal transactions must be obtained from the CCO or Co-CIO via the SunGard PTA system. All members of staff certify transactions on a quarterly basis and holdings annually.

Brokerage Practices

Broker Selection

NS Partners acts in good faith and with due diligence in its choice and use of brokers. All trading conforms to SEC and Financial Conduct Authority (FCA) rules regarding best execution.

In addition, and in accordance with FCA requirements, NS Partners sends a semi-annual statement to each client detailing all explicit costs incurred by their portfolio, including broker commissions, taxation and investment management fees. The statement includes:

- analysis of trading by top 10 counterparties and of total trading
- analysis of commissions allocated between execution and research services
- total commissions generated by the firm
- firm-wide comparison of the portfolio's trading and commissions paid

Best Execution

NS Partners has written policies for best execution. In buying and selling securities, NS Partners will always seek the best price and terms of execution available, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm involved, and the firm's risk in positioning a block of securities.

NS Partners does not suggest brokers to clients.

Directed Brokerage

Where a client has asked NS Partners to undertake directed brokerage, this will only be undertaken on a best efforts basis where the broker is on the Approved Broker List and best execution obligations can be achieved.

Research & Other Soft Dollar Benefits

Under UK regulations, soft dollar arrangements have been replaced by Commission Sharing Agreements (CSAs). At this time, NS Partners does not trade under CSA arrangements for any client.

Trade Allocations

All accounts with similar mandates are managed in line. All transactions are allocated on a pro rata basis at an average price after transaction costs (subject to practical constraints, e.g. transaction costs vs. transaction size, odd lots, etc.) in order to achieve the target weight for the specific security in each account. IPOs, private placements and/or "hot issues" are allocated in the same manner as any other trades, taking into consideration the foregoing factors. Fair allocation is applied through an automated trade processing system.

Review of Accounts

Periodic Reviews

NS Partners conducts the following periodic reviews:

- Weekly Investment Policy Committee – economic update, liquidity conditions, monitoring of strategy and performance, sector allocation, performance and performance attribution and estimated ex ante tracking error and portfolio beta.
- Bi-weekly Stock Meetings – review of fundamentals of all stocks owned (and major index stocks not owned) which are significantly outperforming or underperforming benchmark
- Continual monitoring of investment returns and extensive analysis of performance attribution.
- A client guideline database monitors performance objectives, benchmarks and asset mix guidelines. Automated violation reports with respect to client mandates are generated and reviewed daily.

Reviewers

The portfolio managers are collectively responsible for all accounts; Ian Beattie and Tim Bray as co-CIOs are responsible for ensuring the integrity of the investment process.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

NS Partners provides a detailed monthly portfolio valuation to each institutional client that includes an asset listing, transaction report, and performance returns. The majority of clients also receive a quarterly report, which includes a narrative on the market, NS Partners' current views, future investment strategy, portfolio changes, performance analysis and proxy voting summaries. Where requested by Mutual Fund Boards for Funds to whom we provide investment advisory services, NS Partners provides investment review commentary, for inclusion in Annual and Semi-Annual Reports and prospectus updates as requested.

NS Partners maintains contact as determined by the client and their individual requirements. However, NS Partners considers that it is mutually beneficial to communicate regularly by telephone and meet at least once a year. NS Partners is represented at these meetings by a senior investment manager.

NS Partners provides requested information to clients to allow them to complete Schedule C of their annual Form 5500 Department of Labor report.

Client Referrals and Other Compensation

As part of its partnership with the Connor, Clark & Lunn Financial Group LP (CCLFG), NS Partners Ltd has access to, and utilizes, the resources of the CCLFG Institutional Sales Team. CCLFG will provide certain services and introduce prospective investment management clients, to NS Partners. In the event a new client retains NS Partners as a result of the efforts of the CCLFG Institutional Sales Team, NS Partners will pay a cash referral to CCLFG in accordance with all applicable laws. If the new client becomes an investor in any private fund offered by NS Partners, any transaction-based payments will be made through Foreside Fund Services, LLC.

NS Partners Ltd, at its expense, pays Foreside Fund Services, LLC (“Foreside”), an unaffiliated FINRA registered broker-dealer, a fee for certain distribution-related services for the NS Partners Emerging Markets Equity Fund, a Series of NS Partners Trust. Employees or officers of NS Partners may serve as registered representatives of Foreside to facilitate the distribution of Fund interests to investors.

Referred clients will not be charged any amount for the cost of obtaining the account in addition to the fee charged by NS Partners for advisory services. Additionally, a referred client will not be charged an amount in excess of NS Partners standard advisory fees solely because of the agreement.

Custody

NS Partners does not provide custody arrangements for any client assets within segregated portfolios. Such clients must appoint their own global custodian and any fees for such custodial arrangements will be due to the global custodian outside of any investment management fees due to NS Partners.

Clients with segregated portfolios will receive account statements directly from their global custodian. NS Partners provides monthly valuations which will have been reconciled to the custodian’s monthly statements but we would urge clients to compare both sets of statements.

Investment Discretion

NS Partners usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, NS Partners observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, NS Partners’ authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to NS Partners in writing.

Voting Client Securities

Through its relationship with its clients, NS Partners will undertake responsibility to vote proxies where it has formal authority to do so or, alternatively, will work closely with those clients wishing to participate themselves in order to ensure that their specific voting instructions are properly recorded. Our primary objective is to vote all proxies in the best interests of our clients at all times.

Some international securities (including ADRs), may be subject to “share blocking” restrictions. This means that shareholders who vote proxies are not able to trade in that company’s securities for a certain period of time on or around the shareholder meeting date. In addition, voting certain international securities may involve unusual costs to the clients. NS Partners reserves the right not to vote where share blocking restrictions, unusual costs or other barriers to efficient portfolio management apply.

Occasions may arise where a person or organization involved in the proxy voting process may have a conflict of interest. A conflict of interest may also exist if NS Partners has a business relationship with (or is actively soliciting business from) either the company requesting the proxy vote or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Any individual with knowledge of a conflict of interest relating to a particular referral shall disclose that conflict to the Chief Compliance Officer. All staff are subject to compliance with the NS Partners Code of Ethics, which covers personal account dealing.

NS Partners retains the services of Institutional Shareholder Services (ISS), an independent proxy service provider, to assist in voting matters. ISS' core business is the provision of proxy research, vote recommendations and related governance research services, including an end-to-end proxy voting platform. Routine governance issues are voted in accordance with the ISS Regional Guidelines and contentious issues are raised with the relevant regional investment manager for direction on how to vote. NS Partners conducts annual due diligence on ISS and retains on file all regional ISS Voting Guideline policies. ISS Regional Proxy Voting Guidelines are available on request.

A Quarterly Proxy Voting Report is provided to all clients and this report is reviewed by the lead investment manager prior to transmission.

Financial Information

NS Partners does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

Requirements for State-Registered Advisers

Not applicable.

Business Continuity Plan

General

NS Partners has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, internet outage, cyber-attacks, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternative Offices

Alternative arrangements are in place to support ongoing operations in the event the London office is unavailable. It is our intention to contact all clients in the event of an invocation of disaster recovery procedures.

Loss of Key Personnel

The investment professionals at NS Partners work in integrated team environments using highly structured investment processes. As a result, the loss of any individual team member would have little material impact on investment strategies and outcomes. The teams take responsibility for ensuring that important functions and expertise are protected and shared.

Brochure Supplement (Part 2B of Form ADV)

Educational Background and Business Experience

NS Partners requires any officer or employee who determines or gives investment advice to clients to demonstrate a clear command of the firm's investment discipline, its principles and implementation, and its suitability for clients. NS Partners takes its fiduciary responsibilities very seriously, and ensures that its professionals meet high standards of financial sophistication as evidenced by ongoing education and experience.

NAME/TITLE	D.O.B.	FORMAL EDUCATION	BUSINESS ACTIVITY FOR PAST 5 YEARS	DISCIPLINARY INFORMATION	OTHER ACTIVITIES & COMPENSATION	SUPERVISION
Mark S. Beale, Chairman	1960	University of Sussex, B.A. Economic History	Non-Executive	None	None	Board of Directors Tel: +44 (203) 535 8100
Ian J. Beattie, Co-Chief Investment Officer	1968	City University, London, B.Sc. Economics	Investment Management	None	None	Board of Directors Tel: +44 (203) 535 8100
Timothy J. Bray, Co- Chief Investment Officer	1964	University of London, B.Sc. Financial Economics	Investment Management	None	None	Board of Directors Tel: +44 (203) 535 8100
Simon J. Ward, Director of Research	1960	University of London, M.Sc. Economics, M.Sc. Finance; University of Cambridge, B.A. Economics	Investment Strategy & Economic Research	None	None	TBray@NS-Partners.co.uk Tel: +44 (203) 535-8101
Bernard (known as Brian) P. Coffey, Senior Portfolio Manager	1961	University of London, B.Sc. Financial Economics; University College, Galway, B.Sc. General Science	Investment Management	None	None	IBeattie@NS-Partners.co.uk Tel: +44 (203) 535-8888
Christopher J. Burling, Senior Portfolio Manager	1961	Nottingham University, B.A. Economics with Econometrics	Investment Management	None	None	IBeattie@NS-Partners.co.uk Tel: +44 (203) 535-8888

NAME/TITLE	D.O.B.	FORMAL EDUCATION	BUSINESS ACTIVITY FOR PAST 5 YEARS	DISCIPLINARY INFORMATION	OTHER ACTIVITIES & COMPENSATION	SUPERVISION
Anna L. Stradling, Senior Portfolio Manager	1981	Brasenose College, University of Oxford, B.A. Psychology & Philosophy	Investment Management	None	None	TBray@NS-Partners.co.uk Tel: +44 (203) 535-8101
Rowley (known as Dan) Baring, Portfolio Manager	1977	University of Edinburgh, B.A. History, M.A. History	Investment Management	None	None	TBray@NS-Partners.co.uk Tel: +44 (203) 535-8101
Oliver W. Adcock, Portfolio Manager	1981	New College, University of Oxford, M.Chem.	Investment Management	None	None	TBray@NS-Partners.co.uk Tel: +44 (203) 535-8101
Anna E. Kirk, Chief Compliance Officer & Head of Client Service	1959	N/A	Compliance, Operations, Client Service	None	None	TBray@NS-Partners.co.uk Tel: +44 (203) 535-8101

Disciplinary Information

None of the individuals listed above has been subject to any legal or disciplinary events.

Other Business Activities

NS Partners has adopted a Code of Ethics that requires all individuals register all outside business activity resulting in additional compensation, including monetary or other benefits as well as any voluntary outside business activity that may have the potential to be a conflict of interest within the SunGard PTA System.

No individual shall accept a position as an officer or employee or receive any compensation as a result of any business activity (other than a passive investment), outside the scope of his relationship with the Firm, unless such person has received prior written approval from the CCO.

Investment personnel are prohibited from serving on the boards of directors of for-profit corporations, business trusts or similar business entities, whether or not their securities are publicly traded, without prior authorization by the CCO.

Additional Compensation

NS Partners does not offer any financial incentives above an individual's regular remuneration and profit share.