

FULCRUM ASSET MANAGEMENT LLP

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This Brochure provides information about the qualifications and business practices of Fulcrum Asset Management LLP.

If you have any questions about the contents of this Brochure, please contact us at +44 20 7016 6450 or email joe.davidson@fulcrumasset.com. You may also visit our website at www.fulcrumasset.com.

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 Fulcrum Asset Management LLP also is available on the SEC's website at www.adviserinfo.sec.gov and on the Financial Services Authority's website at www.fsa.gov.uk.

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Material changes

This document is the initial Brochure prepared by Fulcrum Asset Management LLP (“Fulcrum”). The Brochure will be updated on an annual basis and any material changes to it will be identified in this section.

Advisory Business

Fulcrum Asset Management LLP (“Fulcrum”, “the Firm”) is an independent asset management company founded by Gavyn Davies and Andrew Stevens in 2004. Mr Davies and Mr Stevens are the Firm’s principal owners. Fulcrum is authorised and regulated by the Financial Services Authority (“FSA”) in the United Kingdom.

The Firm’s clients comprise regulated and unregulated collective investment schemes (“funds”) and managed accounts (“accounts”). Fulcrum manages assets for these clients in a variety of strategies which are unified by a central research team and a focus on macro strategy and asset allocation.

The majority of the regulated funds managed by Fulcrum are subject to the UCITS III Directive as adopted in Luxembourg and as such the Firm is required to follow specific rules. These rules are designed to ensure that a fund meets strict diversification and other requirements. The objective is to control the amount of risk that may be taken within a specific portfolio and to ensure that such risk is not unduly concentrated in individual securities or with any single counterparties. By contrast, the unregulated funds managed by the Firm are governed by their respective prospectuses. These give the funds a wider ability to invest in underlying assets without the same strict diversification requirements.

The funds managed by the Firm are as follows:

Fund	Short name	Type of fund
Unregulated funds		
The Fulcrum Alpha Fund Limited	Fulcrum Alpha	Private fund (Cayman Islands)
The Fulcrum Africa All Cap Fund Limited	Fulcrum Africa All Cap	Private fund (Cayman Islands)
Regulated funds		
Fulcrum UCITS III SICAV (6 sub funds)	UCITS III SICAV	Luxembourg SICAV and authorised for distribution in the UK by the FSA
Fulcrum Funds SICAV (2 sub funds)	Fulcrum Funds	Luxembourg SICAV
The Global Diversified Fund	Global Diversified	UK Open Ended Investment Company (OEIC) operating under the Non-UCITS Retail Scheme (NURS) rules.

Fulcrum Alpha and Fulcrum Africa All Cap are both feeder funds which invest only in the associated master funds.

The sub funds within the regulated funds are as follows:

UCITS III SICAV: Fulcrum Alternative Beta Plus
 Fulcrum Alternative Beta + Daily Fund
 Fulcrum Global equity
 Fulcrum Africa Fund
 Fulcrum Global Fixed Income Fund
 Fulcrum Commodity Fund

Fulcrum Funds SICAV: Fulcrum Global Diversified Fund
 Fulcrum Alternative Managers Fund

The Global Diversified Fund is a single fund.

Each fund and sub fund managed by the Firm may contain a number of different share classes, which differ as to matters such as reporting currency, minimum investment, redemption terms, treatment of income and fees.

The information contained in this Brochure summarises the details contained within the prospectuses prepared for each of the funds. The Brochure is not required to provide all the information which a prospective investor will require prior to making an investment.

Accounts managed by Fulcrum will typically be invested across asset classes and geographies. Before determining an appropriate asset allocation, the Firm obtains a thorough understanding of each client's financial situation, return objectives and risk profile. Should clients wish to impose restrictions on investing in certain types of securities, then the Firm discusses and documents these requirements at the outset of the relationship.

As at 31st December 2010, the Firm managed US\$ 1.1. billion, all of which is managed on a discretionary basis.

Fees and Compensation

Management Fees

The Firm charges each client a management fee. For the funds, these fees are based on the Net Asset Value ("NAV") of each class within a fund and are deducted from the portfolio on a monthly basis. For the accounts, fees charged are based on a percentage of the monthly average net asset value of the account over the quarter (adjusted for cash flows).

The fee schedule for the funds varies from fund to fund and between asset classes in those funds. A summary of the current fee schedule is set out below:

Fund	Fee range
<i>Unregulated funds</i>	
Fulcrum Alpha	2.00% pa
Fulcrum Africa All Cap	1.50% pa
<i>Regulated funds</i>	
UCITS III SICAV	0.50% - 2.45%
Fulcrum Funds SICAV	1.00% - 1.50%
Global Diversified	0.77% - 1.57%

The UCITS III SICAV and the Fulcrum Funds SICAV contain a number of sub funds, each with a variety of share classes with different minimum subscription levels, redemption arrangements and management fees. The management fees charged to the unregulated funds are as set out above. Each fund contains share classes where no management fees are charged in order to facilitate other Fulcrum accounts/funds investments where they are subject to fees elsewhere.

Part of the fees received may be rebated to clients.

Management fees charged to the accounts are generally based on a fixed % of assets. This percentage will depend on the client type, the strategy and the size of the mandate. Our current fees schedule for individual accounts is as follows:

Portfolio size	Fee range
Upwards of US\$ 10 million	1% of AUM per annum

Fees are payable in arrears and are charged only in respect of the period for which the fund or account was managed.

Fulcrum and its supervised persons only sell funds and services managed or provided by the Firm.

Other fees

Other fees that may be charged to fund clients are set out below:

Administrator fees

Fees are charged on a sliding scale depending on the amount of assets managed. The administrator will also be reimbursed any reasonable out-of-pocket expenses or costs necessarily incurred in the performance of its duties.

Prime broker and custodian fees

Prime broker and custodian fees will not exceed normal commercial rates. They may also levy transaction charges and other charges which can include Value Added Tax.

Other fees and expenses

Other fees and expenses charged may include the following:

(a) charges and expenses of legal advisers, accountants and independent auditors, (b) brokers' commissions, broker funding costs (c) all taxes or stamp duties and corporate fees payable to governments or agencies, (d) Directors' fees (if any) and expenses, (e) interest on borrowings if applicable, including borrowings from the Prime Broker and Custodian, (f) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (g) the cost of insurance for the benefit of the Directors, (h) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (i) the cost of obtaining and maintaining the listing of shares on a stock exchange (if applicable) and (j) some other organisational and operating expenses.

Please see the section on "Brokerage practices" for a description of other brokerage charges.

In the case of our separate account clients only additional custody fees are applicable which are paid directly to the applicable custodian under the contract signed directly between the client and the custodian.

Performance-Based Fees

The Firm is also entitled to receive performance fees from the following funds:

Fund	Fee range
<i>Unregulated funds</i>	
Fulcrum Alpha	20% (high watermark applies)
Fulcrum Africa All Cap	15% (high watermark and hurdle applies)
<i>Regulated funds</i>	
UCITS III SICAV	10% - 20% (high water mark applies, and hurdle rates also apply for the Fulcrum Global Equity, Fulcrum Africa funds)
Fulcrum Funds	10% (high watermark applies)
Global Diversified	10% (high watermark applies)

Where performance fees are due, these are calculated in respect of discrete periods based on the increase in the NAV per share of each class within each fund. No performance fee becomes due unless the NAV exceeds the previous high point reached (termed a high watermark). Some funds also have additional 'hurdles' which have to be surpassed i.e. to outperform a specific benchmark or to outperform LIBOR by a certain percentage. Depending on the fund performance fees are deducted from the portfolio on a six monthly

or annual basis in arrears and may not be chargeable to all of the sub classes within a particular fund. Performance fees are included in the NAV and are not charged separately.

Performance fees may also be charged to individual accounts and these are agreed with each client, this will typically be set at 10% based on a high watermark. This will depend on the client type, the strategy and the size of the mandate.

No other hourly, flat or asset-based fees are charged to the funds and accounts.

Some accounts do charge performance and others do not. The Firm does not believe that this creates conflicts since strategy will be determined by its investment committee without regard to fees, trades are implemented as soon as possible and there is no discretionary element to allocation.

Types of Clients

Funds

The funds managed by Fulcrum are described above under “Advisory Business”.

Each fund where Fulcrum acts as investment adviser specifies minimum subscription limits and the subscription and redemption terms applicable. These may vary according to the sub fund and base currency of each individual share class. Minimum subscription limits and redemption terms by fund are as follows:

Unregulated funds

Fulcrum Alpha

US Dollar	US\$ 1 million
Euro	€ equivalent of US\$ 1 million
Sterling	GBP equivalent of US\$ 1 million

Subject to the discretion of the fund directors, smaller subscriptions may be accepted though in any event they will be no lower than US\$ 100,000, €100,000 or the GBP equivalent of US\$ 100,000.

Investors may subscribe to Fulcrum Alpha on the first business day of each month. Subsequent redemptions may be made on the first business day of each month provided 30 day's notice has been given to the fund administrator.

Fulcrum Africa All Cap

US Dollar	US\$ 500,000
Euro	€ equivalent of US\$ 500,000
Sterling	GBP equivalent of US\$ 500,000

Subject to the discretion of the fund directors, smaller subscriptions may be accepted though in any event they will be no lower than US\$ 100,000, €100,000 or the GBP equivalent of US\$ 100,000.

Investors may subscribe to Fulcrum Africa All Cap on the first business day of each month. Subsequent redemptions may be made on the first business day of each calendar quarter provided 60 day's notice has been given to the fund administrator.

Regulated funds*UCITS III SICAV*

The minimum investment that may be made in this fund is in the Fulcrum Alternative Beta + Daily Fund as follows:

US Dollar	US\$ 10,000
Euro	€ 10,000
Sterling	£ 10,000
Swedish Kroner	SEK 50,000

Higher minimum investment limits apply to other sub funds in the UCITS III SICAV and are typically US\$ 100,000, €100,000 or £100,000. Subject to the discretion of the fund directors, smaller subscriptions may be accepted.

Investors may purchase or sell shares in Fulcrum Alternative Beta Plus and Fulcrum Africa on the fifteenth or final calendar day of each month. For Fulcrum Alternative Beta Plus, 10 days' notice must be given and for Fulcrum Africa the notice period is 10 days. For all other sub funds of the UCITS III SICAV, investors may purchase or sell shares on a daily basis.

Fulcrum Funds

US Dollar	US\$ 500,000
Euro	€ 500,000
Sterling	£ 500,000

Subject to the discretion of the fund directors, smaller subscriptions may be accepted.

Investors may subscribe to the Fulcrum Global Diversified sub fund on the last calendar day of each month. Subsequent redemptions may be made on the last calendar day of each month provided 65 day's notice has been given to the fund administrator. The same notice period applies to the Fulcrum Alternative Managers sub fund, the difference being that subscriptions and redemption may be made quarterly.

Global Diversified

Sterling	£100,000
US Dollar	The US \$ equivalent of £100,000
Euro	The Euro equivalent of £100,000

Subject to the discretion of the Authorised Corporate Director, smaller subscriptions may be accepted.

Investors may purchase or sell shares in Global Diversified on a daily basis.

Accounts

Fulcrum provides investment advisory services to individuals, trusts, endowments and institutions. Minimum account sizes vary according to the base currency in which the account is specified as follows:

US Dollar	US\$ 10,000,000
Euro	€ equivalent of US\$ 10,000,000
Sterling	GBP equivalent of US\$ 10,000,000

Lower account sizes may be accepted at the Firm's discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

The investment approaches adopted in respect of each of the funds and accounts managed are as follows:

Unregulated funds

Fulcrum Alpha

This fund invests all of its assets (to the extent not retained in cash) in the ordinary shares of the associated Master Fund. The Master Fund is a quantitative macro fund, with trading decisions based on economic signals, value, momentum, flows and volumes. The Master Fund seeks to achieve its investment objective through the utilisation of systematic trading techniques based on proven and historically robust factors to generate positive returns over rolling twelve month periods. Investments are made within currency, equity, commodity, fixed income and credit markets, using a variety of cash instruments, futures, forwards, swaps and options.

The Master Fund may leverage its capital by borrowing, including (but not limited to) margin lending agreements, and through the use of futures, forwards contracts, options and other derivative instruments. The Master Fund has not imposed any limit on leverage. Fulcrum Alpha does not employ leverage itself.

The Master Fund employs several complementary risk management techniques in an attempt to limit the potential for significant losses.

Fulcrum Africa All Cap

The Fund will invest all of its assets (to the extent not retained in cash) in the ordinary shares of the associated Master Fund. In turn, the Master Fund invests primarily in equity or equity-linked African securities. The Master Fund may also invest in debt instruments and in open-ended collective investment schemes, investment companies and similar investment vehicles established to invest in African securities. It may also invest in certain forms of derivative instrument in order to obtain exposure to African securities.

There are no restrictions on the proportion of the assets of the Master Fund that can be invested in any one country, market or sector. The effective country, market or sector weights of the portfolio at any time will rather reflect the depth of opportunities and risks associated with each market in the view of the Firm.

The Master Fund may leverage its capital by borrowing, including (but not limited to) margin lending agreements, and through the use of futures, forwards contracts, options and other

derivative instruments. The Master Fund has not imposed any limit on leverage. Fulcrum Africa All Cap does not employ leverage itself.

As the fund is invested in emerging markets in Africa, it may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial and political risks. Such risks are in addition to the other risks of loss discussed later in this section, where further information concerning the risk of investment in African markets is provided.

Regulated funds

UCITS III SICAV

Each of the six funds have differing investment objectives. In all cases, the market risk is limited by the UCITS III requirements, which also are designed to minimise the risk of loss by ensuring diversification of investments held and counterparty risk.

Fulcrum Alternative Beta Plus

The aim of the fund is to generate superior annual returns and a low correlation with traditional asset classes, such as equities and bonds. Investment decisions are based on economic signals, value, sentiment, positioning, serial price correlation, flows and volumes. Investments will focus primarily on the currency, equity, commodity, fixed income and credit markets. Investments will be made through cash settled securities (including equities, bonds and exchange traded funds) and derivatives (including futures, forwards, swaps and options) which shall be used to implement this strategy.

In addition to leverage and exposure rules laid down in the UCITS III Directive, the fund employs several complementary risk management techniques in an attempt to limit the potential for significant loss. These techniques include: diversification across asset classes; diversification across alpha and beta sources; systematic stop loss and trade re-entry strategies; dynamic value at risk models.

Fulcrum Alternative Beta + Daily Fund

The aim of the fund is similar to that of Fulcrum Alternative Beta Plus described above.

Fulcrum Global Equity

This fund gains exposure to global equity markets through investments in passive equity securities. Investments are made across a wide range of developed and developing markets, using a variety of cash instruments, futures, swaps and options. The fund may initiate synthetic short positions through the use of derivatives. The aim is to beat the MSCI World index.

Fulcrum Africa Fund

The Fund investments primarily in equity or equity-linked African securities. It may also invest in unlisted securities. The Fund may also invest in debt instruments and in collective investment schemes, investment companies and similar investment vehicles established to invest in African securities. It may also invest in certain forms of derivative instrument in order to obtain exposure to African securities.

There are no restrictions on the proportion of the assets of the fund that can be invested in any one country, market or sector. The effective country, market or sector weights of the portfolio at any time will rather reflect the depth of opportunities and risks associated with each market in the view of the Firm.

As the fund is invested in emerging markets in Africa, it may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial and political risks. Such risks are in addition to the other risks of loss discussed later in this section, where further information concerning the risk of investment in African markets is provided.

Fulcrum Global Fixed Income Fund

The fund will primarily gain exposure to global government bond markets in both developed and developing markets. It may also gain exposure to global corporate bond markets. In order to achieve this objective, the fund will invest in a variety of fixed and variable interest debt securities as well as in derivative instruments such as futures, swaps and options. The underlying of such derivative instruments can be securities, interest rates or financial indices. The aim is to beat the Barclays Capital Global Aggregate index, with volatility approximately equal to that of the benchmark index.

Fulcrum Commodity Fund

The fund invests in a range of commodity sectors including energy, industrial metals, precious metals and agriculture, using cash settled swaps, swaptions on a variety of commodity indices and transferable securities. It may initiate short positions through the use of derivatives, both for hedging as well as for investment purposes.

The aim of the fund is to achieve positive absolute returns from investment in commodity indices through the utilisation of systematic trading techniques based on proven and historically robust factors.

Fulcrum Funds

Each of the two sub funds has differing investment objectives.

Fulcrum Global Diversified Fund

The aim of the sub fund is to systematically exploit market inefficiencies. It will identify opportunities by a fundamental medium term analysis of the following, region by region:

- Economic and political landscape
- Valuation backdrop
- Organisational and behavioural biases

It maintains a core holding in a well diversified set of investments including but not limited to equities, fixed income, commodity related instruments, hedge funds and cash. The fund may also use futures, structured products and derivatives for the purpose of hedging.

Investment may be made in other collective investment schemes and active managers.

Fulcrum Alternative Managers Fund

The investment objective of the sub fund is to achieve capital appreciation over the long term. It seeks to do this by allocating its assets primarily among a diverse group of selected alternative asset managers. In turn, these managers may be invested in: Equity Long/Short, Event Driven, Distressed, Global Macro, Convertible Arbitrage, Equity Market Neutral, Fixed Income Arbitrage, Multi-Strategy, Managed Futures.

Investment may be made in other collective investment schemes managed by the firm. Derivatives may be used for the purposes of hedging, reduction of relevant costs and/or generation of additional capital or income with an acceptably low level of risk.

Global Diversified Fund

This fund is a Non-retail UCITS Scheme (“NURS”) and is subject to the FSA rules governing the investment and borrowing powers that it has and which are designed to minimise the risk of loss by ensuring diversification of investments held.

The aim of the fund is to systematically exploit market inefficiencies. It will identify opportunities by a fundamental medium term analysis of the following, region by region:

- Economic and political landscape
- Valuation backdrop
- Organisational and behavioural biases

It maintains a core holding in a well diversified set of investments including but not limited to equities, fixed income, commodity related instruments, hedge funds and cash. The fund may also use futures, structured products and derivatives for the purpose of hedging.

Investment may be made in other collective investment schemes managed by the Authorised Corporate Director (“ACD”) of the fund, the Investment Manager, or an associate of either. This includes investments in certain sub funds of the UCITS III SICAV (Fulcrum Alternative Beta Plus and Fulcrum Alternative Beta + Daily). It may also invest in a combination of index funds and active managers.

Risk of Loss Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Investors should consider the following factors before investing in any of the funds referred to in this Brochure. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in each of the funds. Prospective investors are urged to consult their professional advisers and the fund prospectuses before deciding to invest in the funds.

Derivatives

The funds may utilise both exchange-traded and over-the-counter futures, options and contracts for differences as part of its investment policy. These instruments are highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

Funds may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the funds could incur an unlimited loss.

Counterparty Risk

The funds are subject to the risk of the inability of any counterparty (including Prime Brokers and Custodians) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

The Prime Brokers and Custodians of the funds may borrow, lend or otherwise use a fund's assets for its own purposes. In the event of insolvency of a Prime Broker or Custodian, the funds will rank as unsecured creditors in relation and may not be able to recover assets in full or at all. The funds will also rank as unsecured creditors in respect of any cash held with Prime Brokers and Custodians as cash is not held in segregated accounts.

An insolvency procedure entered into by the Prime Brokers and Custodians may last many years. During this time, the use by the funds of assets held by or on behalf of the relevant Prime Broker and Custodian may be restricted and accordingly (a) the ability of the Firm to fulfil the investment objective may be severely constrained, (b) the funds may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of shares, and/or (c) the Net Asset Value may be otherwise affected.

Currency Exposure

The shares in the funds are denominated in US Dollars, Sterling and Euro and will be issued and redeemed in those currencies. Certain of the assets of the funds may, however, be invested in securities and other investments which are denominated in currencies other than US Dollars, Sterling or Euro. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The funds may seek to hedge this foreign currency exposure but are not obliged to and may be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the US Dollar, Sterling or Euro and such other currencies.

Tax Considerations

Where the funds invest in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The funds will not be able to recover such withheld tax and so any such change would have an adverse effect on the Net Asset Value of the shares. Where a fund sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the fund.

US Tax-Exempt Investors

Certain prospective investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in a fund or their engaging indirectly through a fund in investment strategies of the types which a fund may utilise from time to time. While a fund may believe that the investment programme is generally appropriate for US Tax-Exempt Investors for which an investment in the fund would otherwise be suitable, each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisors as to the advisability and tax consequences of an investment in a fund. Investment in a fund by entities subject to ERISA and other tax-exempt investors requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in the detailed fund Prospectus.

Liquidity and Market Characteristics

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the ability of the funds to respond to market movements may be impaired and they may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Developing Markets

Investment in developing markets, and in particular in African Securities in which the Fulcrum Africa All Cap fund and Fulcrum Africa sub fund of the UCITS III SICAV invest, involves a greater degree of risk than an investment in securities of issuers based in more developed countries. Among other things, developing market securities may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favourable tax provisions, and a greater likelihood of severe inflation, unstable or not freely convertible currency, war and expropriation of personal property than investments in securities of issuers based in more developed countries. Investment opportunities in certain African markets may be restricted by legal limits on foreign investment in local securities.

Developing markets generally are not as efficient as those in more developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighbouring exchange. Volume and liquidity levels in developing markets are lower than in developed countries. When seeking to sell developing market securities, little or no market may exist for the securities.

Some developing market securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in more developed countries and therefore potentially carry greater risk. In addition, settlement of trades in some developing markets is much slower and subject to a greater risk of failure than in markets in more developed countries. Further, custodians are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that a fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. In addition, in certain jurisdictions, for example Ghana, settlement is conducted via transfer to brokers stock exchange accounts, with a consequent exposure to broker credit risk during settlement transactions.

With respect to developing market countries, there is the possibility of nationalisation, expropriation or confiscatory taxation which may involve seizure of a fund's assets by government authorities, the imposition of withholding or other taxes on dividends, interest, capital gains or other income, or limitations on the removal of funds or other assets of the fund, political changes and instability, government regulation, coups, social instability or diplomatic developments (including war) or the imposition of sanctions which could affect adversely the economies of such countries or the value of the fund's investments in those countries.

African Political and Economic Considerations

The economies of African countries may differ favourably or unfavourably from the economies of developed countries in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and

balance of payments position. In particular, the economies of African countries may suffer from macroeconomic problems such as hyperinflation, public deficits, unemployment, overdependence on the performance of one or more particular sector(s), volatile interest rates, shortages of basic raw materials and increased levels of poverty. Further, the economies of African countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

Government policies within African countries may be or may from time to time be of an interventionist nature which may impact the operation of capital markets including the banking sector and the stock market. Government interest rate policies (aimed for example at controlling inflation or boosting economic growth) will also impact the performance of stock markets in African countries as higher interest rates may make investments in equities less attractive and vice versa.

Furthermore, Fulcrum intends to invest in jurisdictions such as Côte d'Ivoire, which are in post conflict situations and where the threat of conflict remains. There is also a particular risk that policies encouraging foreign investment may be abandoned, interrupted or reversed. In addition, it may be difficult to obtain and enforce a judgment in a court in such countries.

Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Other Financial Industry Activities and Affiliations

Fulcrum is authorised and regulated by the FSA in the UK as a BIPRU €50k limited licence firm. Its Firm Reference Number is 230683. The authorisation that it holds means that the Firm is permitted to provide discretionary management and advisory services to professional clients. The Firm is not permitted to deal with retail clients.

The rules of the FSA also require all persons performing a management function to be registered with it individually as "approved persons". In the case of Fulcrum, the following management persons are individually registered with the FSA:

Name	FSA roles
Gavyn Davies	CF4 (Partner). CF30 (Customer function)
Andrew Stevens	CF3 (Chief Executive), CF4 (Partner). CF30 (Customer function)
Suhail Shaikh	CF4 (Partner). CF30 (Customer function)
Joe Davidson	CF4 (Partner). CF10 (Compliance function), CF11 (Money Laundering Reporting Officer), CF30 (Customer function)
Jeremy Bedford	CF4 (Partner). CF30 (Customer function)
Tom Dempsey	CF4 (Partner). CF30 (Customer function)

The Firm maintains a record of any external appointments held by all staff, including the management persons listed above. This list is updated when necessary and completeness is confirmed on an annual basis. Except for the following, none of the relationships notified to the Firm by the individuals concerned create a material conflict of interest between the Firm and its clients or between clients.

Gavyn Davies is a Director on the Management Board of Prisma Capital Partners, a US based fund of hedge funds. Fulcrum also manages a fund of hedge funds. The Firm is of the opinion that this position does not create a conflict because Gavyn Davies provides only macro advice to both funds and does not sit on any committee that picks or recommends individual managers. In addition given the illiquidity of the investments themselves it would be very difficult to take advantage of confidential information.

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

The Firm has in place a Code of Ethics which sets out the procedures in place governing personal trading. The Code of Ethics is available to clients or prospective clients upon request and includes the following provisions:

- All personal brokerage accounts used by staff and their spouses and dependent children ("related persons") must be notified to the Firm.
- Prior approval may be required before a trade can be executed.
- Copies of contract notes are received by the Firm.
- Initial and annual holdings reports are submitted to the Firm by all staff. These are checked back to the original approvals and contract notes where appropriate.

The Firm may promote funds to clients in which related persons may also have an investment. This is disclosed to the client at the time of investment. No other securities are bought or sold for client accounts in which the Firm's related persons have a material financial interest. Such activity is considered to be an alignment of interest between the related persons and the client.

Personal trading rules do not permit related persons to purchase securities for their own accounts at times when the funds or accounts managed are actively trading in such securities.

Brokerage Practices

General arrangements

The rules to which the Firm is subject in the UK forbids it from paying commission except where there would be a benefit to the client from doing so. Where any commissions are to be paid for research services receivable, such services would only be permitted if they:

- Are capable of adding value to the clients' portfolios by providing new insights;
- Represent original thought;
- Have intellectual rigour; and
- Involve analysis or manipulation of data to reach meaningful conclusions.

The FSA forbids the payment of commission to brokers for research services which it does not see as meeting the requirements.

The Firm's investment approach is to use quantitative techniques when deciding upon securities to be traded for the funds and accounts it manages. Such techniques involve the use of published data rather than qualitative techniques such as the use of research notes and opinions.

The Firm maintains a list of brokers with whom it may deal for the funds managed. This list is reviewed at least on a quarterly basis and brokers are added or deleted according to the Firm's view of the quality and cost of the service provided. Brokers are used by the Firm at its own discretion.

Funds and accounts

Quantitative analysis is all performed by the Firm and as such no payments are made to brokers for research or other benefits to be paid for out of commissions or costs associated with each transaction. The approach described in this section applies to each of the funds and accounts managed, including where the fund invests in single stocks rather than collective investment schemes, such as is the case with Fulcrum Africa All Cap and the Fulcrum Africa and Fulcrum Global equity sub funds within the UCITS III SICAV.

All brokerage costs paid by the Firm are paid in respect of execution services received only. Brokers with whom the Firm trades are therefore selected on the basis of the following execution factors, with particular emphasis being given to the price:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size
- Nature
- Other considerations relevant to the execution of an order

The Firm is not incentivised to select a more expensive broker over another when executing trades.

When trading in collective investment schemes, the Firm will typically transact with the specific administrator for that particular fund and will trade at the prevailing net asset value of the fund.

Trades are pre-allocated on a client by client basis. Where possible trades will be bulked for execution and average pricing / client order trade randomisation ensures that pricing across clients is as equitable as possible.

Review of Accounts

Each fund or account that Fulcrum manages is subject to periodic review in order to ensure that it remains within the investment guidelines agreed with the client. The frequency of the review is determined by client requirements and can be summarised as follows:

Client	Frequency of review*	Reviewed by (state job title only)
Unregulated funds		
Fulcrum Alpha	Daily	Investment Committee
Fulcrum Africa All Cap	Weekly	Investment Committee
Regulated funds		
UCITS III SICAV	Daily	Third party fiduciary
Fulcrum Funds	Weekly	Investment Committee
Global Diversified	Daily	Third party fiduciary

The managed accounts are reviewed weekly by the Investment Committee.

In addition all funds and accounts are reviewed on an informal basis on a daily basis. Further reviews may also be triggered by a notification of a change in a client's circumstances, such as an injection or redemption of capital.

The Firm reports to the boards of the funds on a quarterly basis. These reports comprise of analysis of risk and return drivers during the period in question, major asset allocation changes, benchmark or peer analysis as well as a review of any trading or operational factors.

Statements are sent to clients with segregated accounts on a monthly basis by the Custodian. These reports contain a detailed analysis of the holdings as at the reporting date and transactions during the period. In addition the manager sends a report on either a monthly or quarterly basis which analyses the portfolios risk and return characteristics along with commentary on the market and the portfolio itself.

Client Referrals and Other Compensation

Fulcrum is not remunerated by any party other than its clients. The Firm receives no economic benefit for providing investment advice or other advisory services to its clients whether directly or indirectly.

The Firm has third party marketers who act in the following jurisdictions:

- 1) Italy
- 2) Germany and Austria
- 3) Spain
- 4) Scandinavia

The third parties are paid by way of a percentage of revenue that their clients generate for the Firm.

Custody

All segregated accounts managed by the Firm use external custodians and with whom the clients have a direct agreement. Fulcrum does not send out account statements.

Custody services are provided to the funds managed by the Firm as follows:

Fund	Custodian
Unregulated funds	
Fulcrum Alpha	Morgan Stanley & Co International plc, the Newedge Group and the Northern Trust Corporation.
Fulcrum Africa All Cap	Standard Chartered Bank (Mauritius) Limited
Regulated funds	
UCITS III SICAV	Banque Privée Edmond de Rothschild Europe
Fulcrum Funds	Banque Privée Edmond de Rothschild Europe
Global Diversified	The Northern Trust Company

Investment Discretion

Fulcrum has discretionary authority to manage accounts on behalf of all its funds and accounts.

As described in the “Advisory Business” section above, the regulated funds are subject to specific restrictions set out in the UCITS rules whereas the investment guidelines governing the Firm’s management of the unregulated funds are typically widely drafted and contain no specific limitations.

With the segregated accounts, clients may request from time to time that the Firm must not invest in specific assets or utilise specific investment techniques. Fulcrum is able to customise its approach to each individual client.

Prior to accepting an appointment to act as a discretionary manager for a client, Fulcrum conducts a full “know your customer” assessment. This is performed so that the Firm understands each client’s investment objectives and is then able to manage the portfolio in a suitable manner.

Voting Client Securities

The majority of the securities Fulcrum invests in for its clients are held within collective investment schemes, including exchange traded funds. The Firm will exercise its vote in respect of shares in collective investment schemes when appropriate but will not have the right to vote in the underlying securities. However, where Fulcrum managed funds do invest in companies directly (for example the Africa funds) then it will vote on behalf of its clients if appropriate.

Fulcrum does not consult with its clients before exercising any vote but always seeks to vote in a manner that it determines to be in the best interests of its clients.

Information on how the Firm has voted, together with a copy of its proxy voting policies and procedures, are available on request.

Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Fulcrum's financial condition.

Fulcrum has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.