

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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Item 2: Material changes

Interim Amendment – Summary of Material Changes

Our company filed its initial disclosure brochure in February 2011. This ADV Part 2A Brochure, dated February 2012, is an interim update of and non-annual amendment to our previously-filed brochure.

New Funds

Since the provision of our initial disclosure brochure, Fulcrum has launched and manages three new funds: the Fulcrum Alternative Beta Plus Limited, the Fulcrum Commodity Fund Limited and the Fulcrum Global Equity Limited. These funds are all Cayman based funds investing in the shares of the respective Master Fund. We have updated in item 8 the risk factors relating to the strategies that Fulcrum employs.

European Domiciled Funds

Detailed information about the UCITS and other European domiciled funds previously included in this brochure has been removed from this document. This is because we do not market these funds in the US.

Item 4: Advisory Business

Fulcrum Asset Management LLP (“Fulcrum”, “the Firm”) is an 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 registered as an investment adviser with the United States Securities and Exchange Commission and has been authorised and regulated by the Financial Services Authority (“FSA”) in the United Kingdom since April 2004.

The Firm undertakes discretionary investment management services for a variety of clients comprising of funds and managed accounts (“accounts”). Fulcrum employs diverse investment management strategies, which are unified by a central research team and a focus on macro strategy and asset allocation. Fulcrum provides on-going discretionary management services to eight funds in total. Funds sold into the US are currently established in the Cayman Islands. Other funds, not sold in the US, are subject to the European Union Undertakings for Collective Investment in Transferable Securities Directives (UCITS), which allow collective investment schemes to operate freely throughout the EU.

The funds managed by the Firm and marketed in the US are as follows:

Fund	Short name	Type of fund
The Fulcrum Alpha Fund Limited	Fulcrum Alpha	Private fund (Cayman Islands)
The Fulcrum Commodity Fund Limited	Fulcrum Commodity Fund	Private fund (Cayman Islands)
The Fulcrum Alternative Beta Plus Limited	Fulcrum Alternative Beta	Private fund (Cayman Islands)
The Fulcrum Global Equity Limited	Fulcrum Global Equity	Private fund (Cayman Islands)
The Fulcrum Africa All Cap Fund Limited	Fulcrum Africa All Cap	Private fund (Cayman Islands)

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.

Individual accounts managed by Fulcrum will typically be invested across various 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 28th February 2012, the Firm managed US\$ 1.5 billion across all funds and managed accounts, all of which is managed on a discretionary basis.

The information contained in this brochure summarises the details contained within the prospectuses prepared for each of the funds. This brochure does not contain all the information which a prospective investor will require prior to making an investment. If you have any questions about us or our services that we did not answer in this document, please contact us at +44 20 7016 6450 or email info@fulcrumasset.com.

Item 5: Fees and Compensation

Management Fees

Fulcrum generally charges clients 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.

The fee schedule for the funds varies from fund to fund and between asset classes in those funds. Part of the fees received may be rebated to clients.

A summary of the current fee schedule is set out below:

Fund	Fee range
Fulcrum Alpha	2.00% pa
Fulcrum Commodity Fund	1.5% pa
Fulcrum Alternative Beta Plus	1.2% pa
Fulcrum Global Equity	1.00% pa
Fulcrum Africa All Cap	1.50% pa

For managed accounts the 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.

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

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 managed 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.

Item 6: Performance-Based Fees

The Firm is also entitled to receive performance fees.

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 is 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.

Fulcrum is entitled to receive performance related fees from the following funds:

Fund	Fee range
Fulcrum Alpha	20% (high watermark applies)
Fulcrum Commodity Fund	10% of the net profits
Fulcrum Alternative Beta Plus	10% of the net profits
Fulcrum Global Equity	10% of the excess performance
Fulcrum Africa All Cap	15% (high watermark and hurdle applies)

Performance fees may also be charged to managed accounts and these are agreed with each client. 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 fees and others do not. The Firm does not believe that this creates conflicts of interest 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.

Item 7: 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:

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 or the Euro or Sterling equivalent of US\$ 100,000.

Investors may subscribe to Fulcrum Alpha on the first business day of each month.

Investors may redeem all or any portion of its Common Shares as of the last business day of each month. Notice of any redemption must be received by the Administrator no 30 business days prior to the applicable redemption date.

Fulcrum Commodity Fund

US Dollar	US\$ 1,000,000
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Subject to the discretion of the fund directors, smaller subscriptions may be accepted, but not below \$100,000. Shares may be purchased on the first business day of each month.

Investors may redeem all or any portion of its Common Shares as of the last business day of each month. Notice of any redemption must be received by the Administrator no 30 business days prior to the applicable redemption date.

Fulcrum Alternative Beta Plus

US Dollar	US\$ 1,000,000
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Subject to the discretion of the fund directors, smaller subscriptions may be accepted, but not below \$100,000. Shares may be purchased on the first business day of each month.

Investors may redeem all or any portion of its Common Shares as of the last business day of each month. Notice of any redemption must be received by the Administrator no 30 business days prior to the applicable redemption date.

Fulcrum Global Equity

US Dollar US\$ 1,000,000

Subject to the discretion of the fund directors, smaller subscriptions may be accepted, but not below \$100,000. Shares may be purchased on the first business day of each month.

Investors may redeem all or any portion of its Common Shares as of the last business day of each month. Notice of any redemption must be received by the Administrator no 30 business days prior to the applicable redemption date.

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, or the Euro or Sterling 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.

Accounts

Fulcrum provides investment advisory services to individuals, trusts, endowments and institutions. Minimum account sizes vary.

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

Methods of Analysis

Methods of analysis are dependent on the differing Funds strategies with the overall focus on macro investment. The Firm's investment decisions are based primarily on research completed internally by the research team of experienced economists and financial modeling experts. Investment decisions combine fundamental economic and behavioural finance approaches with short term trading strategies. The main research factors include;

- Analysis of fundamental factors including economic data, valuation and monetary policy from a number of sources
- Analysis of trends in markets
- Analysis of investors behavioural biases
- Focus on optimal hedging strategies

The research team stays abreast of any relevant publications in academia that could help improve existing strategies or lead to the development of new ones. Published academic work, therefore, forms an important pillar in the research process.

The Funds invest globally and, depending on the strategy, the typical investment horizon can be anything from a matter of days to 1 year or more.

Investment Strategies

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

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 Commodity Fund

The investment objective of the Fund is to seek to achieve positive absolute returns from investment in commodity listed futures and options (both listed and over the counter) through the utilization of systematic trading techniques based on historically robust factors.

The Fund is a quantitative commodity fund, with investment decisions based on prices, volatility, contango/backwardation and inventory data. Investments will be made in a range of commodity sectors including energy, industrial metals, precious metals, agriculture and livestock.

The Fund's risk management process has been carefully designed to achieve attractive Sharpe ratios with low drawdowns. On average, the volatility of the Fund is expected to range between 10% and 25%. The Fund may initiate short positions, both for hedging as well as for investment purposes.

It is unlikely that the Fulcrum Commodity Fund will employ margin borrowing, although Fulcrum may utilize leverage. Certain investments of the Fund such as options and swaps contain inherent leverage.

Fulcrum Alternative Beta Plus

The Fulcrum Alternative Beta Plus fund seeks to deliver returns from diversified liquid risk premia (alternative beta) and trading strategies (alpha), which are anticipated to have a low correlation to the traditional asset classes of equities, bonds and commodities.

The Fund will invest all of its investable assets, other than short-term assets awaiting contribution or distribution, through a “master-feeder” fund structure in Fulcrum Alternative Beta Plus Master Limited. Fulcrum may utilize leverage; however, it is unlikely that the Fund will utilize margin borrowing. While the Fund anticipates that it will not utilize margin borrowing in connection with its investments, certain investments of the Fund such as options and swaps contain inherent leverage.

Fulcrum Global Equity

Fulcrum Global Equity fund seeks long-term capital appreciation by using historically robust factors to outperform its benchmark. Over the long term, the Fund seeks to target an average forecasted tracking error of 4% per annum; actual tracking error will vary depending on market conditions.

The Fund will invest across a wide range of developed and developing markets, using a variety of cash investments, futures, swaps and options. The Fund may initiate short positions, both for hedging as well as for investment purposes. Active decisions on currency hedging will also be made in order to enhance returns.

It is unlikely that the Fulcrum Global Equity Fund will employ margin borrowing, although Fulcrum may utilize leverage.

Fulcrum Africa All Cap

The Fund invests 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.

Risk of Loss Factors

The following is an important discussion of the key risks relating to the strategies that Fulcrum might consider for a fund or account based on the client's objectives, circumstances and preferences. Not all of the risks described below will apply to every client and not all the risks that apply to each client have been listed below. This is because not all of the strategies discussed below would typically be used in every fund or account.

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.

Commodities

Trading in commodity and futures contracts and options are highly specialized activities, which may entail greater than ordinary investment risks. Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid.

Commodity-Related Securities

The production and marketing of commodities may be affected by the actions of and changes in governments. During periods of economic or financial instability, commodity-related securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various commodities.

In addition, commodity-related securities may experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such securities may rise at a faster rate, and conversely, in times of falling commodity prices, such securities may suffer a greater price decline.

Systems and Operations Risk

Fulcrum will employ a number of quantitative models that involve assumptions based upon a limited number of variables abstracted from complex financial markets or instruments that it attempts to replicate. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect. The outputs of such models may differ substantially from the reality of the markets, resulting in major losses. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses, power failures and programming errors. Any such defect or failure could have a material adverse effect on the Fund.

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, and in some cases Sterling and Euro, and will be issued and redeemed in those currencies. Certain 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 invests, 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.

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.

Item 9: 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.

Item 10: 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”.

The Firm maintains a record of any external appointments held by all staff including management persons. 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.

Conflicts

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.

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

The Firm has in place a Code of Ethics, which consists of three underlying principles:

Members of Fulcrum and its employees must at all times place the interests of clients first. They must scrupulously avoid serving their own personal interests ahead of the interests of the Firm's clients.

Members and employees of the Firm must make sure that all personal securities transactions are conducted in compliance with the rules summarised below and in such a manner as to avoid any actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility.

Members and employees of the Firm should not take inappropriate advantage of their positions, including investment opportunities, perquisites, or gifts from persons seeking business with the Firm.

The Code of Ethics is available to clients or prospective clients upon request. It sets out, *inter alia*, the procedures in place governing personal trading.

- 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.

Item 12: 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.

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.

Item 13: 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)
Fulcrum Alpha	Daily	Investment Committee
The Fulcrum Commodity Fund Limited	Daily	Investment Committee
The Fulcrum Alternative Beta Plus Limited	Daily	Investment Committee
The Fulcrum Global Equity Limited	Daily	Investment Committee
Fulcrum Africa All Cap	Weekly	Investment Committee

The managed accounts are reviewed weekly by the Investment Committee.

In addition all funds and accounts are reviewed daily on an informal 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.

Item 14: 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 does not have any third party marketers who act in the US.

Item 15: 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
Fulcrum Alpha	Morgan Stanley & Co International plc, Newedge UK Financial Limited and the Northern Trust Corporation.
The Fulcrum Commodity Fund Limited	J.P. Morgan Clearing Corp
The Fulcrum Alternative Beta Plus Limited	J.P. Morgan Clearing Corp
The Fulcrum Global Equity Limited	J.P. Morgan Clearing Corp
Fulcrum Africa All Cap	JPMorgan Chase Bank

Item 16: Investment Discretion

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

The investment guidelines governing the Firm's management of the funds marketed in the US 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.

Item 17: 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 fund) 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.

Item 18: 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.