

Firm Brochure: Part 2A of Form ADV

Itau USA Asset Management Inc.

**767 Fifth Avenue, 50th Floor
New York, NY 10153**

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This brochure provides information about the qualifications and business practices of Itau USA Asset Management Inc. (the "Firm"). If you have any questions about the contents of this brochure, please contact Steven M. Hurwitz, Chief Compliance Officer, at (212) 710 6734. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

The Firm's registration with the SEC does not imply a certain level of skill or training.

Additional information about Itau USA Asset Management Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This brochure contains information about the Firm upon its initial registration as an investment adviser with the SEC. Therefore, no summary of material changes is provided at this time.

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1. Advisory Business

A. Background Information on the Firm

The Firm is an investment adviser that provides discretionary and non-discretionary investment sub-advisory services to non-US funds and separately managed account clients, and research/recommendation of fund investments. The Firm sometimes provides services under the name Itaú USA Asset Management.

The Firm was formed in 1999 under the name UBB Holding Company, Inc. UBB Holding Company, Inc. was a part of the 2008 business combination of Unibanco - União de Bancos Brasileiros S.A. (“Unibanco”) and Banco Itaú S.A. (“Banco Itaú”), two of the three largest Brazilian banking organizations. From inception until November 2010, UBB Holding Company, Inc. served as a holding company for non-investment advisory businesses. In December 2010, it changed its business to serve investment advisory clients, which previously had generally been clients of affiliates of the Firm, and at that time adopted its current name. Calculated based on the SEC’s “regulatory assets under management” formula and available data: (a) as of the end of first quarter of 2011, the Firm advised approximately \$221,493,119 for 5 clients on a discretionary basis, and approximately \$28,162,858 for 1 client on a non-discretionary basis, (b) for 1 fund which became a client of the Firm after the end of the first quarter of 2011 the Firm advised approximately \$ 100,000,000 on a discretionary basis, and (c) for 7 other clients, the Firm advised approximately \$ 36,040,810 on a discretionary basis, and approximately \$83,783,920 on a non-discretionary basis. On May 13th 2011, the Firm voluntarily filed to become a registered investment adviser with the SEC.

The Firm is wholly owned by Itau Global Asset Management Ltd., a holding company that is indirectly wholly owned by Itaú Unibanco Holding S.A., a reporting company under the US Securities Exchange Act of 1934. One or more holding companies held by members of the Moreira Salles family, and the Villela and Setubal families (who, before the business combination, had been significant owners of Unibanco or Banco Itaú, respectively), through indirect interests in Itaú Unibanco Holding S.A., may be deemed to indirectly hold 25% or more of the voting securities of the Firm. The foregoing does not constitute an acknowledgement that such persons control the Firm for any purpose.

B. Services that the Firm Offers

The Firm provides discretionary and non-discretionary services to private funds and/or separately managed account clients as sub-adviser in accordance with a contractual sub-advisory agreement with the respective client’s main adviser. When providing non-discretionary services, the Firm may propose trades, but is not responsible for the final investment decision or for causing the trades to be made. The Firm also provides non-discretionary investment recommendations to certain affiliated businesses.

Funds of Hedge Funds. When sub-advising a fund of hedge funds or a separately managed account that invests in hedge funds, the Firm typically seeks to achieve consistent absolute returns with low volatility and moderate market correlation. The managers of the underlying funds generally deploy a variety of investment strategies. Although such underlying strategies may include, among others, quantitative analysis (for example, trading pursuant to computer programs or algorithms), such an investment is typically a part of a larger portfolio of funds. All underlying funds are domiciled outside of the United

States, but the Firm also advises its clients on investing in funds domiciled in the United States. Although we use the term “hedge funds” above, many of the funds are long-only or otherwise do not use hedging strategies sometimes associated with hedge funds.

Equity Strategies. The Firm sub-advises fund and separately managed account clients on Latin American companies’ stocks traded in local markets and on US exchanges (mainly through ADRs). The Firm sub-advises on equities of all kinds – shares in large or small capitalization companies, liquid or illiquid stocks, and global entities or firms in narrow sectors. The Firm may seek long- or short-term capital appreciation, total return, or other objectives. The Firm usually provides active management, but may also follow passive strategies – such as tracking an index – for all or part of a portfolio.

Other Strategies-. In addition to the foregoing, the Firm might also sub-advise clients on a broader range of securities and strategies, including (as general examples) fixed income, cash management and derivatives.

C. Tailoring Services to Individual Needs of Clients

The Firm seeks to tailor its fund and separately managed account sub-advice to the investment objectives of its particular clients through discussions with the client’s main adviser upon commencement of the sub-advisory relationship and again periodically as the client’s main adviser evaluates the Firm’s advice over time. Such processes address client’s specific needs and requirements with respect to investment goals, restrictions and target return, given an acceptable level of risk.

Investors in funds sub-advised by the Firm are generally not permitted to restrict the types of investments or broker-dealers/counterparties to be used by the Firm on behalf of the funds.

D. Wrap Fee Programs

The Firm does not currently participate in any wrap fee program, but may do so in the future. At that time, the Firm would provide further brochure disclosures.

E. Amount of Client Assets

The Firm manages assets on both a discretionary and non-discretionary basis. Calculated based on the SEC’s “regulatory assets under management” formula and available data: (a) as of the end of first quarter of 2011, the Firm advised approximately \$ 221,493,119 for 5 clients on a discretionary basis, and approximately \$28,162,858 for 1 client on a non-discretionary basis, (b) for 1 fund which became a client of the Firm after the end of the first quarter of 2011 the Firm advised approximately \$ 100,000,000 on a discretionary basis, and (c) for 7 other clients, the Firm advised approximately \$ 36,040,810 on a discretionary basis, and approximately \$83,783,920 on a non-discretionary basis.

2. Fees and Compensation

A. General

As sub-adviser, the Firm is paid by the client's main adviser a portion of the fees paid by the client to such main adviser and does not charge a separate management fee. Generally, under the arrangements with the main adviser, the Firm receives payment at cost-plus (meaning cost plus some percentage of cost) on an arms-length basis. In most such cases, the level or amount of payments is determined internally among the Firm and the main adviser (which is often an affiliate of the Firm) for various business-related reasons. The fee rates that a client pays its main adviser generally do not correlate to the level or amount of advisory fee that the Firm receives as sub-adviser. The Firm has no set fee schedule. The Firm generally charges its fees monthly or quarterly in arrears based on the end-of-month or end-of-quarter valuations calculated by the client's custodian or fund administrator.

Currently, in no event does the Firm receive a performance-based fee, or any adjustment to its fee arrangement that would reflect any performance-based element.

Clients that invest in fund of hedge fund strategies are also directly or indirectly subject to the fees and expenses of the underlying hedge funds. As many of the underlying funds' managers will charge performance-based compensation, a client may be indirectly subject to such performance-based compensation payable to certain underlying hedge fund managers even if the overall performance of the client's account is negative.

B. Arranging Payment from Clients

Each advisory client may negotiate different advisory fee arrangements. As a sub-advisor, the Firm typically receives payments from the client's main adviser at cost plus, which generally does not correlate to the timing or amount of payments that the client pays to its adviser. The Firm does not currently act as main adviser, but may do so in the future. At that time, the Firm would provide further brochure disclosures.

C. Other Expenses

Any advisory client is subject to costs and expenses beyond the investment advisory fee. These expenses may arise from service providers such as a custodian of the client's assets. Such service providers may be arranged by the Firm, the main advisor or by the client, with or without consultation with the Firm. A fund client is subject to service provider expenses, such as those charged by a fund administrator, outside legal counsel and auditors to perform the fund's annual audit and the preparation of annual audited financial statements. A separately managed account client also may be subject to certain costs relating to auditing firms. Clients may seek to negotiate expenses with the Firm, although there is no assurance that the Firm will be flexible with expenses.

When a fund or separately managed account client invests in a private/underlying fund, the client is subject not only to the advisory fees and expenses paid directly by the client, but also to the management fees and other expenses incurred by the private/underlying fund. Such layering of fees and expenses reduce the net performance of a fund or account. As many of the underlying funds' managers charge performance-based compensation, a client may be indirectly subject to such performance-based

compensation payable to certain private/underlying hedge fund managers, even if the overall performance of the client's individual investment in that fund is negative.

If the Firm manages a client's assets, the client usually incurs brokerage expenses (such as commissions or spreads) and may incur other transaction costs on the purchases and sales of investments for the client. The client, and not the Firm, is responsible for such expenses and costs. See Item 9 below, which discusses brokerage in more detail.

D. Advance Payment of Fees

The client's adviser typically pays the Firm's sub-advisory fees in arrears.

E. Sales of Securities

The Firm and its personnel do not currently accept compensation for the sale of investment products but, consistent with applicable law, may do so in the future. At that time, the Firm would provide further brochure disclosures.

3. Performance-Based Fees and Side-by-Side Management

The Firm is currently not party to any arrangement whereby it receives a performance-based fee, and in no event receives any adjustment to its fee arrangement that would reflect any performance-based element. The Firm may enter into arrangements in the future pursuant to which it would receive performance-based compensation, which would create an incentive for the Firm to favor performance-based fee accounts, and at that time the Firm would provide further brochure disclosures.

As sub-adviser to a main adviser that receives performance-based compensation, the Firm is not generally aware of the specific fees or fee types paid by the client to its adviser. Currently, any performance-based compensation that a client pays its adviser does not correlate to the level or amount of advisory fee that the Firm receives as sub-adviser. For that reason, certain conflicts of interest that may arise for advisers, based on differences among fees charged to different clients, may not arise for the Firm. Nevertheless, as the main adviser is typically an affiliate of the Firm, the Firm may have an incentive (even if not a direct economic incentive) to favor an account that is subject to a performance-based fee over one subject only to an asset-based fee. The Firm believes that such conflicts are mitigated by the fact that its own compensation structure is unrelated to any performance-based compensation paid to another person. Any such conflicts are further mitigated by the remoteness within the corporate organization (including the geographical remoteness) of any affiliated recipients of performance-based compensation. Further, the Firm has a policy to treat each client equitably and maintains investment allocation procedures intended to implement such policy in an objectively fair manner. Should the Firm perceive other actual or potential conflicts of interest, its management undertakes to take further step to (as appropriate) mitigate, manage and disclose such conflicts.

4. Types of Clients

Currently, the Firm manages only the assets of non-US funds and high net worth individuals located outside of the United States on a sub-advisory basis. The Firm may accept clients of any kind or from any geographical location, including, but not limited, US or non-US individuals, US tax-exempt entities,

US or non-US funds or institutional investors. When the Firm provides its advice as a sub-adviser to a fund or separately managed account, such advice can be discretionary or non-discretionary. In the case of non-discretionary sub-advisory advice, the main adviser may either also provide only non-discretionary advice to the client or, if the main adviser provides discretionary advice, it has the option to decline to act on the advice provided by the Firm. To open an account, a prospective client or client's adviser should contact the Firm using the information provided on the cover page of this brochure. The Firm reserves the right to decline any new engagement, or to negotiate terms of any kind.

The Firm also provides advice to certain affiliated businesses. This advice is general in nature, and is not intended to address the needs of any particular customer of the Firm's respective affiliate. Currently, such advice relates primarily to analysis of hedge funds (or other private funds) and alternative investment managers. The Firm does not necessarily know whether any of such advice is included in the services provided to the affiliates' customers.

Should the Firm advise a fund that relies on Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940 (the "Company Act") to avoid registration requirements under the Company Act, such fund's investors generally must be "accredited investors" and/or "qualified purchasers" as defined by the SEC. This heightened standard may serve investor protection purposes.

The Firm has no specific minimum account size or investment amount. Nevertheless, the Firm's clients currently place assets under the Firm's management at levels of \$1 million or more. At any time, the Firm may accept smaller investment accounts, or impose any higher minimum, in its discretion. The main adviser to funds or accounts for which the Firm acts as sub-adviser may impose their own account minimums, which may vary greatly, and over which the Firm generally has no influence.

5. Methods of Analysis, Investment Strategies and Risk of Loss

A. General

The Firm uses various methods of analysis and pursues different investment strategies for its clients. Below we discuss (i) funds of hedge funds strategies, (ii) accounts that focus on equities strategies, or (iii) other kinds of strategies that the Firm may advise. Investing in securities involves risk of loss that clients should be prepared to bear. Such risks are discussed further, below in this Item.

The Firm has a limited operating history. Past performance of the Firm, any strategy or any security may not be an accurate indicator of future performance. The Firm can offer no assurance that any client's investment objective will be achieved.

Funds of Hedge Funds. Whether managing a fund of hedge funds, advising a separately managed account that invests in multiple hedge funds, or providing to its affiliates analysis of hedge funds or their managers, the Firm generally applies an organized approach to selecting appropriate funds or managers. The Firm applies a process of investment diligence concerning each underlying fund. Generally, the Firm overlays a top-down view (that is, determining allocations among categories of managers) on a bottom-up selection of managers (that is, determining appropriate managers to receive allocations within such categories), though the Firm may not always engage in any particular conduct when making any particular investment decision or recommendation. Hedge funds generally have greater flexibility in terms of investment management than many other financial products, and the Firm generally seeks greater

consistency of returns by focusing on diversification of sources (for example, investments in multiple hedge funds).

Equity Strategies. The Firm may advise in strategies involving Latin American companies' stocks, regardless of size of capitalization, liquidity, or sector. The Firm may seek long- or short-term capital appreciation, total return, or other objectives determined in consultation with a client. The Firm generally trades actively, but at times may follow passive strategies, for all or part of a client's portfolio. The Firm may form its advice based on any number of factors, including research produced internally or by third parties.

Other Strategies. In addition to the foregoing, the Firm advises clients on a broader range of securities and strategies, including (as general examples) fixed income, cash management and derivatives.

B. Risks of Strategies

The following is not necessarily a comprehensive list of risks a client may be subject to with respect to investment strategies of the Firm. The Firm may also, in consultation with clients, develop other strategies that entail other risks not considered below.

Fund of Hedge Funds Strategies. These strategies may involve significant exposure to speculative investment techniques. Clients may lose all or a substantial amount of their investment with this strategy.

Despite any efforts to diversify sources of investment returns by investing in multiple hedge funds, the Firm's clients could be subject to concentration through multiple managers holding the same underlying position(s) at the same time. The Firm will not always be in a position to be aware of such concentration risk, which may result in volatility or losses to Firm clients.

Traditional investments tend to be suited to rising markets. Hedge funds often utilize a variety of financial instruments and strategies, sometimes to "hedge" against market losses. On the other hand, however, funds that hedge against losses may not benefit from general market gains in the same way as a traditional investment. For that reason, hedge fund investors sometimes may miss out on the full extent of market rallies.

Although the Firm's fund of hedge fund strategies seek to deliver "alpha" (often through better-than-market returns), there can be no assurance that the Firm will be successful in achieving that goal. Similarly, although the Firm may seek assets having low directional exposure, its fund of hedge fund strategies may nevertheless have results that correlate to the overall markets.

The Firm often seeks to find managers that have a "repeatable" process. Despite any analysis of past activities of a manager, however, there can be no assurance that any manager will be able to repeat its process or will do so with the same discipline as in the past. The flexibility that hedge funds generally have in terms of investment management can result in a risk that a hedge fund manager may be more able to act in ways that benefit the manager over the interests of the fund or its investors.

The Firm conducts diligence on each manager with which it causes a fund of hedge funds to invest, and seeks updated information from managers over time. Despite any efforts, however, the Firm cannot

provide any assurance that it will identify all matters of potential concern or address all such concerns in a consistent manner across underlying managers.

Equity Strategies. A strategy involving purchasing equities – a “long” strategy – may be most effective during rising markets. During severely falling markets, such a strategy may lose a significant percentage of its value.

For accounts in which the Firm trades actively, a client is subject to the risk that the Firm times markets incorrectly (such as selling a stock that then rises in value) or that the results of the Firm’s research (such as a client should purchase or sell a security) are not consistent with subsequent market sentiments (such as the overall market selling the security and depressing its value). For accounts in which the Firm follows more passive strategies, a client is subject to the risk that the Firm may not have the flexibility to respond to market events or apply certain research to the benefit of a client.

Other Strategies. Some clients of the Firm may seek long-term growth in asset value, which may result in holding an asset despite its loss of value or missing out on new market trends. Other clients of the Firm may seek short-term gains, which may result in higher turnover rates, which may increase a client’s tax liabilities; increased transaction costs over time, due to potentially greater incidences of brokerage or similar expenses; and greater volatility of the portfolio’s value.

C. Risks of Securities

The Firm’s clients may invest in any form of securities and other instruments or assets. For purposes of the following discussion, we note only certain securities on which the Firm places a special emphasis overall. Such securities are not part of every client’s portfolio, and it is possible that certain accounts could invest solely in categories of securities not included below. When investing in a fund or account advised or sub-advised by the Firm, the client is advised to review the risk discussion of the offering memorandum or any other risk-related disclosures provided by the fund or the Firm or, if the Firm is a sub-adviser to an account, by its adviser. Advisory personnel are also available to discuss risks with any client.

Hedge Fund Interests. An investment in hedge fund securities carries with it many risks, in addition to those set out above concerning hedge fund strategies. Key risk areas identified by the Firm as it conducts its diligence on a hedge fund manager include:

- *People.* Hedge fund managers tend to rely more on the expertise of particular individuals within the manager than certain other investment firms. For these reasons, an event that affects a key person, or the departure of a key person, can have a significant effect on the performance of the hedge fund. Such an event or departure can also cause a strong reaction by fund investors, who may seek an exit from the fund or other extraordinary action that could have an adverse effect on any of the Firm’s clients that continue to hold an interest in such a fund.
- *Processes.* A hedge fund manager’s processes may be less rigorous or subject to fewer checks and balances within the organization than certain other asset managers. The Firm’s clients could be adversely affected by a hedge fund manager that does not consistently act in a manner expected by the Firm.

- *Valuation control.* Valuation is often difficult to determine in a precise and objective manner. Hedge fund managers receive compensation based on the valuation of fund assets, and have a significant conflict of interest with respect to such valuation. While many hedge fund portfolios receive independent valuations, not all do. In any event, a fund's valuation agent generally relies on at least some information provided by the fund manager. Further, the Firm is not able to independently verify managers' valuations. Although the Firm seeks to assure that fund managers prepare valuations appropriately, and although audit or review of fund financial statements can provide assurance beyond the Firm's own diligence, no assurance can be provided that proper valuations will at all times be determined by all hedge fund managers in which the Firm's clients invest.
- *Technology infrastructure.* Although an area covered by the Firm's diligence, the technology of hedge fund managers varies greatly, and the Firm's clients are subject to risk of loss should problems with the manager's technology resources arise.
- *Compliance.* Although part of the Firm's diligence, the implementation of a compliance program can require constant attention, and issues concerning compliance by a hedge fund manager with regulations, investment restrictions or other important matters may from time to time arise. Such occurrences may have an adverse effect on the manager's ability to focus appropriately on its investment program, and under certain circumstances compliance lapses could have direct adverse effects on values of the portfolios of the Firm's clients.
- *Service providers and counterparties.* The Firm's clients are subject not only to risks involving a hedge fund manager, but also the fund's service providers. Although part of the Firm's diligence with respect to hedge fund investments, no assurance can be provided that the actions of such other service providers will not result in losses to the Firm's clients. Hedge funds also may have important relationships with counterparties, such as lenders, borrowers (including issuers of notes or other debt), and derivatives counterparties. Should such a counterparty fail to meet its obligations to a hedge fund, the Firm's clients would generally indirectly suffer any losses incurred by the hedge fund, and contractual and other legal remedies may be limited or inadequate.

Hedge fund interests are generally illiquid and permit redemptions only infrequently. Investors in hedge funds often have no or limited voting rights. Such investors may be subject to significant levels of fees and expenses. Other investors may be party to side letters with a hedge fund manager that provides the investor favorable rights or terms as compared with those of a Firm client, including with respect to fees, liquidity or transparency of information.

A hedge fund manager may use speculative investment techniques and may employ substantial leverage (including borrowing for investment purposes) that can magnify gains, losses and volatility. The Firm expects to have no ability to direct or influence the manager of an underlying fund. A hedge fund investment may provide for indemnification to the hedge fund manager that could result in an investor's return of redemption proceeds or distributions under certain circumstances.

A hedge fund could, from time to time, provide for in-kind redemptions, whereby a redeeming fund investor could receive portfolio securities rather than cash. Investors may not be prepared to accept such securities and may incur costs and delays in handling or disposing of such securities.

The performance of the Firm's fund of hedge funds strategies depends primarily on the underlying hedge fund managers. No assurance can be given that any hedge fund will successfully implement its investment strategies or achieve its investment objective.

Hedge fund managers will generally become subject to greater regulation and compliance burdens. As a result, the cost of investing in a hedge fund may increase, which would have an adverse effect on the net returns for Firm clients.

Non-US Securities. The Firm has an international reach and may advise with respect to securities worldwide. The Firm's clients invest in non-US funds, non-US equity securities of other issuers, non-US debt securities, and other non-US instruments or investments involving non-US counterparties. Based on its affiliation with Brazilian companies, the Firm may advise on Brazilian or other South American equities to a greater degree than certain other US investment advisory firms. Investment in non-US securities may be subject to greater risks than US securities as some non-US securities may be subject to, among other things, greater illiquidity and volatility, higher transaction costs, the fluctuation of currency exchange rates, any withholding and other non-US taxes, more limited public information about non-US issuers, and the absence in some jurisdictions of uniform accounting, auditing and financial reporting standards.

6. Disciplinary Information

The Firm is a subsidiary of the largest financial conglomerate in the Southern Hemisphere, with its parent company considered the largest bank in Brazil based on market capitalization according to Bloomberg as of December 31, 2010, and within the top 10 financial institutions in the world based on the same criterion. The conglomerate provides a broad range of commercial, investment and credit consumer banking services to a diversified international client base. Given that, the conglomerate is subject to a range of commercial litigation arising out of the ordinary course of the business, as well as to reviews by different regulators.

The Firm has no disciplinary event to disclose with respect to its activities. In addition, during the past 10 years, no advisory affiliate has been subject to any material adverse final action or agreed to pay material settlement fees under any regulatory or civil proceeding having an investment-related nature, it being understood that such materiality corresponds to decisions or settlements involving amounts greater than US\$ 50,000 per action. During that period, advisory affiliates of the Firm have had around 100 final investment-related actions falling below the above-noted materiality, together representing a total amount of less than US\$ 5,000,000 (i.e., approximately 0.01% of the conglomerate net worth as of March 31, 2011). Such approximately 100 actions can be divided in 5 major groups of claims: (i) account manager's operational mistake; (ii) clients' requests for documents or information; (iii) losses arising from market-to-market indexation; (iv) payment of dividends; and (v) information about risks or lock-up period. There are also certain civil claims against an advisory affiliate arising in connection with the Bernard L. Madoff matter, none of which is material to any advisory affiliate's results and each which the conglomerate is vigorously contesting.

7. Other Financial Industry Activities and Affiliations

The Firm has numerous affiliates in the financial services industries. Its indirect parent is Itaú Unibanco S.A., the largest privately owned financial institution in Brazil.

The Firm may, from time to time, cause its clients to use the brokerage of an affiliated broker-dealer (such as Itau BBA USA Securities, Inc.) consistent with the Firm's best execution obligations. The use of an affiliated broker-dealer may involve material conflicts of interest, as the Firm may have an incentive to benefit an affiliate to the disadvantage of the Firm's clients. To address this conflict of interest, the Firm has adopted a policy of treating clients fairly in connection with brokerage and has adopted trade allocation and broker approval procedures to implement that policy. When using an affiliated broker-dealer, the Firm makes further findings (above its standard best execution procedures) and reviews such practices periodically for assurance that the brokerage was directed for appropriate reasons and with only the interests of the client in mind.

The Firm also has an insurance company affiliate and certain non-US investment advisory or other financial entities that have no interaction or arrangements with the Firm.

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

A. Code of Ethics

The Firm has adopted a Code of Ethics in its Compliance Manual that summarizes the Firm's duties as a fiduciary. The Code of Ethics describes standards of conduct and includes a personal trading policy.

The Code of Ethics requires each employee to acknowledge that they have an obligation to hold themselves to the highest standard of fairness and to comply with all Federal Securities Laws and the rules governing the capital markets. Employees must, among other things, avoid circumstances that could produce conflicts or the appearance of conflicts between their personal interests and those of the Firm and its clients, as well as abide by strict rules governing personal trading.

The Code of Ethics provides for initial and annual reporting by employees (called "Access Persons") of various matters, including conflicts of interest, compliance with laws and rules, and accounts over which an Access Person has beneficial ownership interest or may exert influence or control and that hold or can hold reportable securities. In addition, Access Persons must quarterly report all transactions in reportable securities. Access Persons must obtain pre-clearance from the Compliance Officer prior to opening any new brokerage account and for any transactions in securities. Access Persons are generally prohibited from making direct investments in Brazilian securities except under limited circumstances. Access Persons are restricted from short-term trading and may not trade pursuant to material non-public information, engage in short-selling, joint transactions, among other trading restrictions. Employees must inform the Compliance Officer of any violation of the Code of Ethics that comes to his or her notice. Each employee of the Firm must sign a certificate at least annually that the employee has read, understood and has complied with the Code of Ethics.

A copy of our Code of Ethics is available to any client or prospective client upon request.

B. Recommendations of Securities to Clients

The Firm recommends to clients securities in which our employees may have an interest. A conflict of interest may arise by which an employee may have an incentive to place a client in such a security in order to indirectly benefit the performance of the security, although the Firm expects that such an effect would be likely to occur only rarely. To mitigate or address such conflict of interest, the Firm has adopted a policy of placing client interests before those of the Firm or its personnel and has implemented the Code of Ethics described above in this Item.

The Firm or its affiliates may, as principals, enter into securities transactions with clients. Although the Firm does not currently expect to engage in this practice frequently, clients may seek certain investment strategies under which the practice may occur. In such an event, the Firm will obtain such informed consent from clients as is required by applicable law. The Firm would have a conflict of interest in connection with any such transaction, and may be motivated to choose to engage in such a transaction rather than seeking a more appropriate third party, as it or its affiliates may receive economic benefits from being on the other side of such transaction. The Firm would also have an incentive to value any such asset in a manner favorable to it or its affiliate, and unfavorable to the client. To mitigate or address such conflict of interest, in addition to any consent process, the Firm has adopted a policy of placing client interests before those of the Firm or its personnel, has implemented the Code of Ethics described above in this Item, and has adopted objective valuation procedures.

The Firm may encounter similar conflicts of interest in connection with client transactions and, to mitigate or address such conflicts, generally will follow policies and procedures similar to those described above. For example, the Firm may advise a client to invest in a fund or serve as general partner to a fund in which the Firm advises. In such a case, as the Firm or its affiliate would receive fees and may receive other benefits from that investment, the Firm has an incentive to place clients in such investments. Where a conflict of interest is expected to arise, senior personnel will typically be consulted, and the Firm will also review such transactions over time and consider additional, or improvements to, policies or procedures.

C. Personal Trading

The Firm and its personnel may, from time to time, hold or trade in the same securities as clients hold or trade. The Firm's personnel have several restrictions in place to avoid potential conflicts of interest, including, but not limited to, restriction on type of securities, Compliance Officer pre-authorization, and retention periods. Still, such activity may result in conflicts of interest, as the Firm or its personnel who invest in securities may have an incentive to place clients in those same securities to the advantage of the Firm or the personnel, and may have an opportunity to engage in activities such as front-running (that is, trading in advance of fund transactions). To mitigate or address such conflict of interest, the Firm has adopted a policy of placing client interests before those of the Firm or its personnel, has prohibited front-running and has implemented the Code of Ethics described above in this Item, as well as investment opportunity allocation procedures. The Firm periodically reviews reports made under the Code of Ethics and other information, and will generally take measures in the event that an intentional or inadvertent advantage in favor of the Firm or its personnel is detected from time to time, or over time.

The Firm or its personnel may engage in the trading described in the preceding paragraph at the same time, and in the same securities, as such trading occurs in client accounts. The conflicts of interest, and mitigation of such conflicts, are as described in the preceding paragraph. In addition, under certain circumstances, a portfolio manager may undertake to have “skin in the game” (that is, trading in the same securities as the client account he or she manages, with the purpose of aligning the portfolio manager’s interests with those of the client). Despite any intent to align interests, such a trading program may also pose conflicts of interest. For example, such a portfolio manager may have an incentive to cause the client account to trade in a security based on the portfolio manager’s personal desire for exposure to that security. Before a portfolio manager may implement such a trading program, the Firm will analyze the potential conflicts of interest and specific means to address those conflicts. For example, such procedures may provide for objective criteria for when the portfolio manager’s trades must be made in coordination with the client’s trades, which may involve having the portfolio manager undertake to trade in each security just following, or a certain period of time after, the client trade, and for any exceptions to be reviewed by the Firm. The Firm would also review Code of Ethics reports along with client trading reports and seek to determine whether any client is disadvantaged over time by such a trading program. The Firm may take measures in the event that an intentional or inadvertent advantage in favor of the portfolio manager or any other personnel or the Firm is detected from time to time, or over time.

9. Brokerage Practices

A. Selecting Broker-Dealers

The Firm generally does not select any broker-dealer when making hedge fund investments. Nevertheless, hedge fund investments may be subject to placement agent fees or other transaction costs that are incurred by clients. The Firm also generally does not select any broker-dealer when it provides nondiscretionary advice to a fund or account client. In its other strategies, the Firm select broker-dealers to execute transactions required for portfolio and investment fund management business. Broker-dealers must be defined specifically for each market as follows: futures, equities, options, forwards, etc.

All broker-dealers must undergo a due diligence assessment prior to being selected by the Firm as an approved broker-dealer. The assessment consists primarily of submitting a questionnaire covering detailed aspects of (i) identification and contacts, (ii) institutional information, (iii) financial information, (iv) regulatory entities and auditing, (v) compliance and internal controls, (vi) back-office processing and structure and (vii) risk management.

The due diligence process must be conducted in coordination the following business areas: asset management, operational risk, financial risk, back and middle office and information security. At this stage, operational aspects of control and technology structure are assessed, such as: (i) software used; (ii) existence of contingency plan; (iii) existence of code of ethics; (iv) the existence of compliance and risk structure and controls and (v) existence of procedures manual. The Firm’s credit area also analyzes financial data and character of the broker-dealer and the asset management team analyses the quality of the broker-dealer’s services, including execution capabilities, commission rates and the value of any research.

Broker-dealers analyzed are submitted to the bi-annual brokerage committee for evaluation and final decision by committee members, who determine whether a broker-dealers is eligible to be on the approved brokers list until the next committee review.

The Firm has a committee made up of senior personnel, one responsibility of which is to focus on broker-dealer selection and other areas in the Firm's due diligence processes.

Below, we address certain specific brokerage practices:

1. *Research and Other Soft Dollar Benefits.* The Firm does not currently receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (that is, the Firm does not have what is sometimes called "soft dollar" arrangements). The Firm may do so in the future, subject to policies and procedures relating to conflicts of interest and related matters. At that time, the Firm would provide further brochure disclosures.

2. *Directed Brokerage.* The Firm does not routinely recommend, request or require that a client direct the Firm to execute transactions through specified broker-dealers.

B. Aggregation of Securities for Multiple Client Accounts

The Firm is not required to aggregate trades for multiple client accounts, and will not always do so, even when multiple clients are purchasing or selling the same security at the same time or on the same day. Should the Firm not aggregate trades in the same security, each client involved may pay higher transaction costs than would otherwise apply had the trades been aggregated. This is because a single trade made in a larger, aggregated amount may benefit from a discounted brokerage commission or otherwise have economies of scale relative to multiple smaller trades. Despite those possible benefits, the Firm believes that, when portfolios are not being operated in a coordinated manner (such as being managed by different personnel, or following different strategies), it may be appropriate to provide for each portfolio to transact separately, even if they happen to trade in the same security at or around the same time. In addition, for investments in hedge funds, for various reasons, it is not always practicable for multiple investors to be accepted by a particular underlying manager at the same time.

Any determination whether to aggregate a trade among multiple client accounts will be made on a case-by-case basis, and will be made consistent with the Firm's policy to seek to act in the best interests of each client and treat each client in a fair and equitable manner. Factors that the Firm's personnel may consider include, for example, whether the accounts have the same strategy, the liquidity of the security, benefits of aggregating a trade, whether the aggregation will reduce the speed with which the trade may take place, and whether trades in the same security are contemplated for multiple accounts early in the day. Not all of these factors will necessarily be considered in each instance, and other factors may be considered as portfolio managers determine appropriate under the circumstances.

The Firm has a policy of treating each client account fairly and equitable relative to other client accounts. The Firm will periodically review its aggregation practices, and should any resulting material disadvantages to one or more clients over time be identified, take measures to improve the processes in this area.

10. Review of Accounts

The Firm reviews each account on at least a monthly basis. During such reviews, the account's performance, compliance with investment restrictions, and similar measures are considered.

The Firm's management may determine to review an account more frequently based, among other things, on poor performance of the account, lack of correlation with a particular benchmark, or to consider compliance with investment restrictions and similar measures.

Each separately managed account client receives a quarterly statement from the account's custodian setting out the holdings and transactions in the account. Each Fund investor receives audited financial statements on an annual basis. Account clients and fund investors may receive other written periodic mailings as well.

11. Client Referrals and Other Compensation

The Firm does not consider, in selecting or recommending broker-dealers, whether the Firm or an affiliate receives client referrals from a broker-dealer or third party.

The Firm does not currently compensate third parties for client referrals, or receive economic benefits from non-clients (other than the main adviser of a fund or account, when the Firm acts as sub-adviser) for advising client accounts.

12. Custody

Each separately managed account client receives a quarterly statement from the account's custodian setting out the holdings and transactions in the account. Such clients are advised to review any such statement carefully.

13. Investment Discretion

The Firm provides investment advice on both a discretionary and nondiscretionary basis, depending on the arrangement with the client or, when the Firm acts as sub-adviser, with the adviser. Funds and clients accounts may impose investment restrictions and limitations, and the adviser will seek to follow the investment objectives and agreed strategies of a client. When the Firm exercises investment discretion, however, there are typically no express limitations on the adviser's authority to cause the fund or account to purchase or sell securities, aside from investment guidelines and restrictions, and provisions relating to brokerage and other practices, that may be part of a client's investment advisory agreement with the Firm. To assume this authority, the Firm and its client (or, when the Firm acts as sub-adviser, the main adviser) will enter into an investment management agreement or similar arrangement by which such authority is provided to the Firm.

14. Voting Client Securities

It is not the practice of the Firm to vote Client proxies. However, should the Firm agree with the client to have the authority to vote Client proxies, the Firm will follow its Proxy Voting Policy. The Fund Manager shall exercise proxy voting rights at general meetings on behalf of the investment funds under its management, and shall be guided therein by loyalty to the interests of the funds and their fund

shareholders, and on defending the latter' s rights shall take all due care and diligence the circumstances require. In this respect, when voting at meetings and representing funds under its management, the Fund Manager shall strive to vote in favor of resolutions it believes will add value to the fund's portfolio assets. Similarly, the Fund Manager shall vote against resolutions if it believes they may erode the value of fund portfolio assets. Additionally, when exercising voting rights, the Fund Manager shall take into account aspects relating to business sustainability and be guided by three pillars: proactively advocating environmental preservation, social development, and good corporate governance.

Fiduciary and Middle Office are responsible for maintaining a log of our proxy votes as part of our Books and Records.

15. Financial Information

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

16. Requirement for State Registered Advisers

Not applicable.