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10th August 2011

ADV Part 2 Brochure

This brochure provides information about the qualifications and business practices of Kiltearn Partners LLP (“Kiltearn”). Questions about the contents of this brochure should be directed to Kiltearn’s Chief Operating Officer, Stuart Gunderson, on 011-44-131-460-1041 or via email on sgunderson@kiltearnpartners.com. Information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”), any other state or federal regulatory authority, any foreign regulatory authority or any self regulatory body. Additional information about Kiltearn is also available on the SEC’s website at www.adviserinfo.sec.gov or Kiltearn’s website on www.kiltearnpartners.com.

Kiltearn is a registered investment adviser. Please note that being a registered investment adviser does not imply, in any way, a certain level of skill or training. Investors invested in any one of Kiltearn’s commingled funds (collectively referred to as “**Unitholders**”) and any separate account clients (together with the commingled funds, collectively referred to a “**Clients**”) and potential investors should rely only on the information contained in this document or in documents that Kiltearn has specifically provided. Kiltearn has not authorized any third party to provide information in connection with its investment programme or investment operations.

Item 2. Material Changes

Kiltearn applied for registration as an investment advisor with the SEC on 10th August 2011. This is the initial SEC Form ADV Part 2 that Kiltearn has prepared. Future SEC Form ADV Part 2 documents prepared by Kiltearn will be available upon request to Kiltearn’s Chief Operating Officer Stuart Gunderson (sgunderson@kiltearnpartners.com).

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Item 4. Advisory Business

History and Firm Structure

Kiltearn Partners LLP (“**Kiltearn**”) is a UK limited liability partnership or LLP established in 2011 to specialize in publicly traded global equity securities, principally on behalf of investors domiciled in the United States. As of August 10th, 2011, the date which Kiltearn gained FSA approval, the global equity programme had approximately US\$60 million of assets under management. Kiltearn does not participate in any wrap fee programmes. Kiltearn is registered with the Financial Services Authority in the United Kingdom and the SEC in the United States.

As of 10th August 2011, Kiltearn had five (5) working members. Kiltearn Limited (“**KP Ltd**”) owns a substantial majority (>90%) of Kiltearn’s capital. The remaining capital has been contributed by the working partners. Under the terms of the limited liability partnership agreement (the “LLP Agreement”), the working members have the right to nominate individuals who will form part of Kiltearn’s Supervisory Group. The actual appointment or removal of these individuals is determined by vote. Voting rights are determined by capital ownership. Partners are normally admitted to the LLP once per annum, effective April 1st.

Under the terms of the LLP Agreement, 100% of all of Kiltearn’s capital profits will accrue to KP Ltd. In the longer term, 40% of Kiltearn’s income profits will accrue to KP Ltd. The remaining income profits are allocated to the employees and working partners of Kiltearn and those of its wholly owned subsidiary Kiltearn Partners, Inc (“**KP Inc.**”). A structure chart highlighting Kiltearn’s organisation structure and material direct and indirect owners follows. Kiltearn would be pleased to answer any questions that any Unitholder or prospective investor may have on its ownership structure, industry affiliations or direct and indirect beneficial owners.

Kiltearn’s working partners have acquired 50.1% of KP Ltd (the capital provider to Kiltearn) and Silchester Partners Limited (“**SII Ltd**”) owns 49.9%. KP Ltd has two classes of shares. SII Ltd holds 100% of the Class A shares. These shares represent 49.9% of KP Ltd’s authorised share capital and 19.9% of KP Ltd’s voting rights. The working members will hold 100% of the Class B shares. These shares represent 50.1% of KP Ltd’s authorised share capital and 80.1% of KP Ltd’s voting rights. The A Shares and the B Shares have different rights. The B Shares (i.e. those controlled by the working members) control KP Ltd. Under the company’s Articles, the B Shareholders have the right, in perpetuity, to name a majority of the company’s Board of Directors, elect the Chairman, and control the day to day business operations of the company. The A Shareholders effectively sit as minority shareholders. The consent of A Shareholders is required when material business decisions must be made (such as the sale of the business, the liquidation of the business, significant items of expenditure (i.e., amounts greater than 25% of the company’s capital base), amendments to the articles, etc.).

In the early years of Kiltearn’s operations, Silchester International Investors LLP (“**Silchester**”) will be providing operational and administrative support (such as finance, administration, compliance, risk management, legal – but not investment management). These works are all carried out under the supervision of Kiltearn and Kiltearn and its senior management retain compliance responsibility. The working partners are responsible for all investment management, trading/dealing and marketing client services activity.

Kiltearn’s investment philosophy is based on the investment and business approach of Murdo Murchison. Murdo Murchison has worked at the forefront of global investment management for over 15 years and was the third investment manager of the flagship Templeton Growth Fund, launched by Sir John Templeton in 1954.

Types of Services that Kiltearn Provides to Clients

Kiltearn provides discretionary investment management services to its Clients. Kiltearn brings a wide range of analytical, research, portfolio implementation and administrative skills through its business. Kiltearn strives to service Clients whose investment needs are growing from year to year. Kiltearn specialises in investing in publicly traded equity securities using a bottom up value investment approach. Kiltearn does not provide financial planning, quantitative planning or market timing services to Clients. Kiltearn generally does not further customise or modify its investment programme based on individual Client needs. Unitholders in Kiltearn's commingled funds are not permitted to impose restrictions on investing in certain securities or types of securities.

Item 5. Fees and Compensation

Kiltearn provides discretionary investment management services to Unitholders in the Kiltearn Global Equity Fund (the “**US Fund**”) and the Kiltearn Global Equity (Ireland) Fund (the “**Irish Fund**”), collectively known as the “**Funds**”, on the following fee scale:

	% Per Annum
First \$15 million	1.00
Next \$10 million	0.80
Next \$50 million	0.70
Next \$75 million	0.60
Thereafter	0.50

Fees paid by each Unitholder invested in the Funds are based upon the market value of the Units held by the Unitholder rather than the value of the Fund itself. Fees are not generally negotiable. However, Kiltearn may rebate fees paid by Unitholders invested in the Funds or charge lesser fees to Unitholders based upon the Kiltearn's relationship with the Unitholder, assets invested by the Unitholder, the timing of the Unitholder's investment, and other factors deemed relevant by Kiltearn. Fees are normally payable monthly in arrears, although the actual timing of fee payments will depend on the underlying legal domicile of a Fund and the terms of its operating agreements. Fees are normally paid via the redemption of part of the Units held by each Unitholder in a Fund on a monthly basis. Separate account clients are generally invoiced on a quarterly basis in arrears for the investment management services that Kiltearn provides. Unitholders will incur brokerage and other transaction costs as described in ‘**Brokerage Practices**’. No other additional fees or expenses are charged to separate account clients.

Kiltearn would not ordinarily anticipate opening any separate accounts, with the exception of temporary accounts used to facilitate investment into or withdrawals out of its Funds or in rare exceptions, for a prospective investor interested in investing amounts over approximately US\$100,000,000. A fee scale for a separate account is available on written request.

The Funds pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, “**bid-ask**” spreads, mark-ups, stock loan expenses, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments. The Funds are obligated to pay all income and other taxes related to their underlying investments. In addition, the Funds may be required to reimburse Kiltearn or the third party service providers to the Funds for legal expenses incurred to protect the Unitholders that Kiltearn determines are not routine (e.g., extraordinary legal expenses such as those incurred in connection with litigation to protect or promote the investment rights or obligations of the Funds (as applicable) and legal or accounting expenses incurred in connection with reclaiming foreign withholding taxes) and that are not borne by Kiltearn.

Kiltearn pays all routine legal, audit and accounting fees related to the Funds and the ongoing offering of Units as well as annual audit fees and tax return expenses (if any). Kiltearn pays any fees payable to the Custodians, Trustees, Fund Administrators, Managers, Auditors, Tax Advisors and other similar service providers of the Funds. Kiltearn has paid all expenses incurred in connection with the organization and the formation of Funds and will pay all costs associated with the ongoing issuance of the Units of these Funds to the extent that it remains the appointed investment manager of the Funds. The Funds are not required to raise a minimum amount in order to defray these costs and expenses. The Funds are not required to reimburse Kiltearn in the event that the investment management fees are insufficient to cover the expenses borne by Kiltearn.

Clients invested in separate accounts pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, bid-ask spreads, mark-ups, stock loan expenses, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments. Clients invested in separate accounts are obligated to pay all income and other taxes related to their underlying investments. In addition, Clients invested in separate accounts may be required to reimburse Kiltearn for legal expenses incurred to protect the investor that Kiltearn determines are not routine (e.g., extraordinary legal expenses such as those incurred in connection with litigation to protect or promote the investment rights or obligations of the investors invested in separate accounts (as applicable) and legal or accounting expenses incurred in connection with reclaiming foreign withholding taxes) and that are not borne by Kiltearn. In addition, Clients invested in separate accounts are responsible for paying their own legal, audit and accounting fees as well as annual audit fees and tax return expenses (if any). Investors invested in separate accounts pay any fees payable to their separately appointed Custodians, Trustees, Fund Administrators, Managers, Managing Members, Auditors, Tax Advisors and other similar service providers.

Item 6. Performance-Based Fees and Side by Side Management

Kiltearn does not charge performance based fees to any of its Clients or to any Unitholders. All fees are charged on an *ad valorem* basis. Kiltearn employees, members, directors, shareholders and related parties of Kiltearn employees and members have invested in the Funds. These employees, partners, members, directors, shareholders and related parties invest in the Funds on the same terms and pay the same fees as other unaffiliated clients in the Funds. No fees are waived for Kiltearn or its related parties.

Item 7. Types of Clients

Each Fund, and not the underlying Unitholders in each fund, is considered a Client pursuant to Rule 203(b)(3)-1 of the Investment Advisers Act of 1940. Kiltearn makes investments on behalf of the Funds for the benefit of the underlying Unitholders in each respective fund. Units are sold only to Unitholders that qualify as “**accredited investors**” and “**qualified purchasers**” under applicable securities laws. An investment in Units of a Fund involves the risk of loss. Kiltearn, in its capacity as investment manager, is responsible for reviewing and managing the holdings of each Fund based on the results of its research activities and for making appropriate recommendations to satisfy the respective investment goals of the funds. Additional information is available in the respective offering memorandum of each Fund.

Conditions for Managing Accounts

The minimum initial subscription for Units in a Fund is US\$2 million. The minimum additional investment in a Global Fund is US\$100,000. Kiltearn may, in its sole discretion, accept or reject, in whole or in part, any investment or impose conditions or restrictions on such investment, such as increasing or decreasing the amount of the minimum investment or requiring a Unitholder to establish a temporary account with the custodian of the Funds and wire funds to that account prior to an

applicable dealing day. Unitholders may redeem all or part of their Units in a Fund on any dealing day by providing Kiltarn with written notice at least six (6) Business Days prior to the dealing day upon which the redemption is to be effective. Certain documentation must also be returned at least four (4) Business Days prior to such dealing day. There is no minimum redemption size for redemptions from the Funds. Additional information is available in the respective offering memorandum of each Fund.

With the exception of the minimum initial subscription noted above, Kiltarn does not impose a minimum account size for investing in the Funds.

Kiltarn would not ordinarily anticipate opening any separate accounts, with the exception of temporary accounts used to facilitate investment into or withdrawals out of its Funds or in rare exceptions, for a prospective investor interested in investing amounts over approximately US\$100,000,000. A fee scale for a separate account is available on written request.

As of August 10th, 2011, the global equity programme had approximately US\$60 million of assets under management.

Transition Accounts

Kiltarn has the ability to direct clients making cash contributions to or redemptions from the US Fund to use transition accounts. Transition Accounts are temporary custody accounts that are opened under the US Fund's general legal structure. They are used to facilitate large subscriptions and withdrawals. The Transition Account structure allows Kiltarn to invest cash contributions outside of the US Fund's direct assets or to liquidate holdings outside of the US Fund's direct assets (and therefore avoid impacting existing investors or remaining investors, as the case may be). By investing new cash flows or liquidating the securities separately, the incoming or outgoing investors bear their own market risk during the investment or redemption period (usually one month but this can be longer depending on market conditions), as well as their own dealing costs. Kiltarn believes that these procedures safeguard the benefits of commingled investing for all participants and represent a fair and equitable way of accommodating periodic subscriptions and withdrawals. Prospective investors should refer to the specific provisions of the US Fund's Offering Memorandum for a complete discussion of Transition Accounts and the risks involved therein.

Sideletter Agreements

Kiltarn generally will consider entering into a sideletter agreement only when rules governing the investment by a specific Unitholder (such as state law or the governing documents related to such Unitholder) in Fund requires a specific variation, provided that such change is not expected to materially impact Kiltarn, other service providers to the Funds or other Unitholders. It is Kiltarn's policy not to agree to any sideletter or other similar agreements that grant any Unitholder or group of Unitholders preferential rights with respect to the payment or timing of redemptions, indemnification from Kiltarn, the law governing Kiltarn's and each Unitholder's responsibilities under the governing documents for the Funds, or access to data on a Fund's holdings or trading activity. Kiltarn will provide a summary of all sideletter agreements currently in effect upon the written request of a current or prospective Unitholder.

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

Investment Strategy and Analysis

Kiltarn provides discretionary investment management services to Clients according to a clear investment strategy. The investment objective is to achieve long-term growth primarily by investing in a diversified portfolio of global equity securities. As many companies have multinational

operations, a company's location will ordinarily be determined by factors such as (i) its jurisdiction of incorporation, (ii) the location of its head office, primary market, significant sources of revenues, income or the location of its assets, or (iii) its classification as determined by various market indices. To achieve its objectives, Kiltarn generally seeks to invest in a portfolio of securities that, in its opinion, possess fundamental investment value.

Kiltarn believes that securities with low market price to earnings, cash flow, asset value or sales ratios or dividends typically, but not necessarily, possess fundamental investment value. Investments meeting the above criteria are identified by Kiltarn in part through the use of database screens. Kiltarn carries out financial analysis on prospective investments and reviews their underlying business strengths and weaknesses, their plans, and their management. Investments that appear attractive according to Silchester criteria generally will constitute a high proportion of Kiltarn's investments.

When allocating investments among geographic regions and individual countries, the prime determinant for Kiltarn is the attraction of the individual security investments (a "**bottom up**" approach). Macroeconomic features are considered as they affect individual companies. Nonetheless, Kiltarn seeks to retain a reasonable diversification of investments across countries and industries and, consequently, will normally incur some exposure to foreign currencies. Silchester may actively manage currency risk through the use of spot and forward currency contracts. In determining its strategy toward currency investment, Kiltarn principally considers a country's real short-term interest rates, the relative purchasing power parity of its currency and its overall financial quality, current account performance, prevailing monetary conditions and any special geopolitical factors.

Due to restrictions on direct investments by foreign entities in certain foreign countries, investments in other investment companies may be the most practical or only manner in which Kiltarn can obtain certain securities. Accordingly, Kiltarn may invest a portion of its assets in U.S. and foreign investment companies. It should be noted, however, that such investments may (i) involve the payment of premiums above the net asset value of such issuers' portfolio securities, (ii) be constrained by market availability, and (iii) with respect to foreign funds, be considered passive foreign investment companies for federal income tax purposes. As a shareholder in such an investment company would bear its pro rata share of that company's expenses. Kiltarn does not expect that such investments will comprise a major part of its investment portfolio.

Kiltarn has established investment parameters as to the amount of each Fund's portfolio invested in, including but not limited to, securities with particular characteristics, individual securities, and the securities of companies located in particular countries or regions. These investment parameters are outlined more fully in the Investment Guidelines set out in the confidential private offering memorandum for each Fund or in the investment guidelines agreed with separate account investors.

Types of Investments

Kiltarn will invest in developed, emerging and so-called frontier markets. Kiltarn is permitted to utilize a wide range of equity instruments in attempting to achieve its investment objectives, including both common and preferred stocks, special classes of shares available only to foreign persons in markets which restrict the ownership of certain classes of equity to nationals or residents of the country, convertible preferred stocks, convertible investment grade instruments, depository receipts, and to a limited extent, options and warrants on equity securities. Kiltarn is also permitted to invest in physical currencies and spot and forward currency contracts. Since purchases of foreign securities may give rise to unwanted foreign currency exposure, Kiltarn will analyze such exposures, and may, in its discretion, enter into hedging transactions in order to achieve a better balance of currency exposures. Such a transaction will normally be in the form of spot and forward currency contracts. Restrictions on the use of forward contracts are disclosed in further detail in separate account investment management agreements (where applicable) and each Fund's investment guidelines.

The Northern Trust Company or one of its direct or indirect subsidiaries (“**Northern Trust**”) has been appointed to act as the custodian for the Funds. Pursuant to a Cash and Foreign Exchange Calculation Services Agreement entered into by Kiltarn and Northern Trust, Northern Trust projects each Fund’s daily foreign currency needs that must be raised to meet each Fund’s settlement obligations. Pursuant to a Foreign Exchange Procedural Trades Agreement entered into by Kiltarn and Northern Trust, Kiltarn may direct Northern Trust to execute all daily foreign exchange transactions at the publicly quoted 4:00PM London time WM Company/Reuters closing bid/ask spot rates unless certain extraordinary conditions exist in a specific currency market or Kiltarn, in its discretion, decides to execute all or part of a Fund’s daily foreign exchange transactions pursuant to another arrangement with Northern Trust or another counterparty.

Subject to investment guidelines, Kiltarn may invest in (i) non-exchange traded securities including private placements and securities subject to transfer restrictions under Rule 144A or Regulation S of the Securities Act of 1933 or otherwise commit to acquire securities on a forward commitment basis, and (ii) unregistered and bearer securities. Kiltarn does not invest in futures or options on futures. Kiltarn may, however, invest in, hold, and purchase, or otherwise acquire rights, stock options, stock coupons, warrants, and other similar investments issued, sold, or distributed by a portfolio holding as part of a corporate action or other similar transaction. Kiltarn may purchase the securities of issuers during an initial public or secondary offering of securities. Companies involved in initial public or secondary offerings of securities typically have short operating and trading histories and generally are less established. The prices of securities issued as part of initial public or secondary offerings traditionally have been quite volatile. Kiltarn also may be required to agree to certain transferability restrictions as a precondition for participating in these types of security offerings.

Frequency of Trading

Over the course of a market cycle, Kiltarn would expect the turnover of its commingled funds to typically be between 20% and 35% per annum. Kiltarn makes investment decisions on when to sell a security solely based on its investment criteria and do not take into account tax considerations. In other words, Kiltarn does not engage in “**tax loss harvesting**” strategies employed by other investment advisers.

Strategy Risks:

There are a number of material risks associated with investing in publicly traded global equities. These include, but are not limited to, the following matters. Further information on investment risks is disclosed in the confidential private offering memorandum of each Fund or in the investment management agreements for separate account clients.

Strategy Risks

- *Global Market Exposure.* Kiltarn invests on a global basis in both developed and emerging markets. Investors are therefore subject to: (i) currency exchange-rate risk; (ii) the possible imposition of withholding, income, capital gains or excise taxes; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and little or potentially biased government supervision and regulation; (iv) financial, economic and political risks, including expropriation, currency exchange control and potential restrictions on foreign investment and repatriation of capital; and (v) global market turmoil.
- *Emerging Market Securities.* Kiltarn purchases the securities of issuers located in emerging markets. Holders of emerging market securities are subject to additional risks, including potential periods of illiquidity, increased price volatility, the volatility of emerging market exchanges due to smaller market capitalization, evolving clearance and settlement procedures, potential

restrictions on foreign investment, security transfer and the repatriation of investment income and capital. The currencies in which emerging market securities are issued may experience significant declines against the U.S. dollar either as a result of market pressures or government devaluation. Trading in emerging market currencies may be subject to governmental or significant administrative restrictions or only tradable with certain approved counterparties. Approved counterparties are typically subcustodians or subagents appointed by a privately offered commingled fund's custodian (such as Northern Trust). These factors may result in higher spreads being paid when the currencies associated with emerging market securities are traded. Inflation in emerging markets has historically been in excess of inflation in more established countries, increasing negative pressures on emerging market economies and markets.

- *Investment in Initial Public and Secondary Offerings.* To the extent permitted by law, Kiltarn purchases the securities of issues during an initial public or secondary offering of securities. Companies involved in initial public or secondary offerings of securities typically have short operating and trading histories and generally are less established. The prices of securities issued as part of initial public or secondary offerings traditionally have been quite volatile. Silchester also may be required to agree to certain transferability restrictions as a precondition for participating in these types of security offerings.
- *Price Fluctuations.* Prices of equity securities and other instruments are highly volatile. Prices are affected by a wide variety of complex and difficult-to-predict factors, including, but not limited to, supply of money, inflation, weather and climatic conditions, changing supply and demand relationships, governmental activities and regulations, political and economic events and prevailing psychological characteristics of the marketplace. These same factors also can affect the securities markets adversely.
- *Illiquidity.* Kiltarn may purchase investment instruments that later become illiquid or otherwise restricted. These positions may only be able to be liquidated at disadvantageous prices. The decision to hold or liquidate such securities is at Kiltarn's sole discretion. Although many of the securities that Kiltarn may acquire may be traded on public exchanges, each exchange typically has the right to suspend or limit trading in the securities which it lists. Suspensions could render it difficult or impossible for Kiltarn to liquidate any or all of its positions and would thereby expose investors to losses.
- *Transactions on Non-U.S. Exchanges.* In addition to trading on US stock exchanges, Kiltarn engages in trading on global markets. Transactions on non-U.S. exchanges are not regulated by U.S. governmental agencies, such as the SEC. As Clients are generally expected to determine their valuations in U.S. dollars, with respect to trading in non-U.S. markets, Clients will be subject to the risk of fluctuation in the exchange rate between local currency and U.S. dollars. Any profits which Clients might realize in any such trading could be eliminated by adverse changes in exchange rates or the Client could incur losses as a result of any such changes.

Some non-U.S. exchanges, in contrast to exchanges in the United States, may be "principals markets" similar to the forward markets, in which responsibility for performance is only that of the principal with whom a trader has entered into a transaction, and not of an exchange or clearing corporation. In some cases, a broker with whom Kiltarn enters into a transaction may in effect take the opposite side of trades made for Clients. Because some non-U.S. exchanges generally lack a clearinghouse system such as that utilized by exchanges in the United States, market disruptions may be more likely to occur on non-U.S. exchanges and, in extreme circumstances such as the failure of a broker or other counterparty, the settlement of security trades may be delayed or cancelled. To minimize the risk of broker or counterparty default and subsequent loss, under normal circumstances, Kiltarn will arrange for Client security purchases and sales to be settled on a "delivery versus payment" basis. Kiltarn does not employ any prime brokers to execute Client security transactions or to hold Client assets.

- *Cash Balances.* The U.S. dollar cash balances for the US Fund are invested in money market funds sponsored by Northern Trust. Kiltarn may direct Northern Trust to hold U.S. dollar cash balances in other money market funds, deposit accounts or other vehicles in its sole discretion. The US Fund could incur losses in the event that the net asset value of the money market funds falls below US\$1.00 or if redemptions from the money market funds, deposit accounts or other vehicles were restricted. Non-U.S. dollar cash balances are held in deposit accounts at various subagent banks. These deposit accounts are subject to counterparty and credit risk (for example, if either the custodian or the subagent bank were to declare bankruptcy or otherwise default on its financial obligations).
- *Credit Risk.* Securities trading is subject to the risk that the brokers and counterparties with which, and the exchanges on which, transactions are executed or positions are carried may default. The default by an exchange, clearinghouse or counterparty could result in material losses. Certain markets require all securities to be held in a central securities depository and, in certain cases, the depository may be owned by a foreign government or government body and not be supported by a national network of well capitalized financial institutions. The default of such government or depository, or the failure of such depository to maintain suitable and sufficient procedures to mitigate against theft or loss, could result in material losses. To minimize transaction and foreign exchange dealing costs, Kiltarn may request that a broker or counterparty “warehouse” smaller security trades. Where security positions are “warehoused”, the executed trade remains the property of the executing broker or counterparty until such time as the trade is allocated to a specific Client account. If the broker or counterparty defaults or declares bankruptcy, losses could be suffered on warehoused security positions.
- *Investment Approach.* There is no guarantee that the investment approach, techniques, or strategies utilized by Kiltarn will be successful or profitable. All investments risk the loss of capital. Furthermore, there can be no assurance that the specific trading strategies utilized by Kiltarn will produce profitable results. Any factor that would make it difficult to execute trades, such as reduced liquidity or extreme market developments, also could be detrimental to profits.
- *Tax Risks.* Kiltarn’s investment decisions are based primarily upon economic considerations and not tax considerations, and could result, from time to time, in adverse tax consequences. Certain markets may assess capital gains taxes in the event a Client holds more than a given percentage of a company’s shares in issue and sells these shares at a gain in a given period. In other markets, local tax authorities may assess a capital gains tax on gains that are realized from selling shares issued by so-called “**land rich**” companies. “**Land rich**” companies are generally viewed as companies the majority of whose balance sheet consists of land, buildings, leasehold improvements, mining, mineral and oil concessions and leases or other similar issues. In other cases, capital gains taxes may be assessed on gains if the shares were not held for more than a given period of time (typically 12 months). In most cases, the amount of capital gains taxes can be reduced under availing double taxation treaties to the extent Kiltarn can prove that each underlying investor is resident in the U.S. for income tax purposes. This is normally done by providing the foreign tax authority with an IRS Form 6166 (Certificate of Residency) and/or a copy of an individual IRS Form 6166 or IRS Determination Letter.

Item 9. Disciplinary Information

There have been (and are) no material criminal, civil, regulatory, business, or administrative proceedings against Kiltarn or any of its employees, members, principals, affiliated entities or advisory affiliates. Kiltarn and its employees, members, principals, affiliated entities or advisory affiliates are not currently in litigation or arbitration and have not received any subpoenas. Neither Kiltarn nor any of its employees, members, principals, affiliated entities or advisory affiliates have ever been subject to any criminal proceeding.

Item 10. Other Financial Industry Activities and Affiliations

Kiltearn is not affiliated with any banks, broker dealers or custodians. Kiltearn is an independent limited liability partnership that is owned and controlled by its members. KP Ltd is owned and controlled by current Kiltearn employees, partners and their related parties as well as SII Ltd. As shown on the following organization chart, Kiltearn has one wholly owned subsidiary. Kiltearn Partners, Inc. (“**KP Inc.**”) provides marketing and client service support principally to North American based clients and consultants. KP Inc. also acts as the tax matters partner and registered agent for service of process for the Kiltearn Global Equity Fund (the “**US Fund**”), Kiltearn’s privately offered commingled fund for US investors.

SII Ltd is a minority owner of Kiltearn. SII Ltd is a member of Silchester, a UK based investment manager registered with the SEC as an investment adviser (SEC file number: 801-49530). Silchester and SII Ltd have agreed to provide certain back office, compliance, legal, finance, administration, personnel and office support to Kiltearn pursuant to a separate Operational Services Agreement until April 30, 2015, unless Kiltearn reaches certain asset thresholds (US\$350 million) at which point Kiltearn must provide Silchester and SII Ltd with one years notice of its intention to fully assume responsibility for completing these functions. Under the terms of a Research and Consultancy Services Agreement, Silchester agreed to purchase approximately a set number of research reports from Kiltearn every twelve (12) calendar months. The cost of these research reports was determined by Silchester and Kiltearn in an arms-length manner. Under the terms of this agreement, Kiltearn has the right to limit or reduce the amount of research provided.

SII Ltd is also a minority shareholder in four other US registered investment advisers: Colchester Global Investors (SEC File Number 801-57116), Sanderson Asset Management (SEC File Number 801-60032), Highclere International Investors (SEC File Number 801-66718) through a participation in Highclere Investment Management, Nippon Value Investors (SEC File Number 801-66876) and Edgbaston Investment Partners (SEC File Number 801-71397). SII Ltd is also an indirect shareholder in Heronbridge Investment Management LLP, a UK domiciled investment adviser that is not currently registered with the SEC. As a result, Kiltearn is deemed to be under SII Ltd’s common control with these other firms. Kiltearn does not recommend the execution of any transactions between its client accounts or funds and those of Silchester or SII Ltd’s associated companies.

Timothy Linehan, Silchester’s Head of Operations and a SII Ltd Director, sits on the Supervisory Group of Kiltearn in the capacity of Non-Executive Member, having done so since inception with limited influence in the day to day management of Kiltearn’s operations and business. Silchester employees and partners, SII Ltd and its shareholders and former employees and their related parties SII Ltd is eligible to receive dividends from KP Ltd as the result of its equity holding in KP Ltd. Timothy Linehan, Silchester’s Head of Operations and a SII Ltd Director, sits on the Board of KP Ltd in the capacity of Non-Executive Director, having done so since inception with limited influence in the day to day management of KP Ltd’s operations and business.

Kiltearn’s Organisation Chart

provides certain back office and administrative support to Kiltern and KP Inc. Silchester International Investors, Inc. is a wholly owned subsidiary of Silchester International Investors LLP. This helps to ensure that all Clients are given an appropriate level of service. Information concerning Clients also may be passed to regulatory authorities or law enforcement officials who have jurisdiction over Kiltern, as otherwise acquired by applicable law and regulations, or if reasonably required to prevent fraud and unauthorized transaction. Under certain limited circumstances, Kiltern may provide Clients with information concerning the investment products of its business partners if Kiltern believes this information may be of interest to Clients. Clients that do not wish to receive this information may contact Kiltern and request to be removed from these distribution lists. On at least an annual basis Kiltern provides copies of its privacy policy to its Clients. Clients may request a copy of the current privacy policy at any time by contacting Kiltern's Chief Operating Officer (Stuart Gunderson on 011-44-131-460-1041 or via email on sgunderson@kilternpartners.com).

Item 11. Code of Ethics; Participation or Interest in Client Transactions and Personal Trading

Kiltern has adopted a Code of Ethics to effectuate the purposes and objectives of Rule 204A-1 of the Investment Advisors Act of 1940. The Code of Ethics sets forth Kiltern's business conduct in its capacity as a fiduciary for its Clients and establishes standards of conduct for its supervised personnel. The Code of Ethics was developed with the view that Kiltern is, and wishes to remain, closely aligned with the interests of its Clients and underlying Unitholders in the Funds. Among the topics covered in the Code of Ethics are: prohibitions on insider trading, resolving conflicts of interest, personal securities transactions by Kiltern's personnel, and confidentiality of Client information and information related to the underlying Unitholders in the Funds. Kiltern will provide a copy of its Code of Ethics to any Client, Unitholder or prospective investor upon request and without charge. To obtain a copy of the Code of Ethics, please contact Kiltern's Chief Operating Officer (Stuart Gunderson on 011-44-131-460-1041 or via email on sgunderson@kilternpartners.com).

Participation or Interest in Client Transactions:

Kiltern established each of its Funds, and pays for the ongoing costs of operating these Funds, including custody, fund administration, legal, tax accounting, annual audit, and reporting fees. Kiltern derives fees from each Unitholder based upon the market value of each Unitholder's Units in the Funds. Employees and members of Kiltern as well as the shareholders and related parties of Kiltern have invested in Kiltern's US Fund and Irish Fund. KP Inc. serves as the tax matters partner for US income tax purposes of Kiltern's US Fund.

Personal Account Trading Policies:

Employees and members of Kiltern and its subsidiaries may trade securities for their own accounts in accordance with Kiltern's Code and the procedures set forth therein. These procedures ordinarily provide, in part, that employees, members and principals of Kiltern or its affiliated entities are ordinarily prohibited from acquiring (i) securities that Kiltern is currently purchasing, selling, or holding on behalf of its Clients, or (ii) represent prospective investments. Kiltern's procedures prohibit Kiltern from favouring accounts in which it, its affiliated entities, or its/their employees, partners, principals, directors or members have a direct or indirect financial interest over the accounts of Kiltern's Clients. Certain agents and other independent contractors (including individuals that may provide research to Kiltern on a contractual basis) may be subject to differing restricted trading procedures. Employees and members of Kiltern are generally prohibited from acting as the directors of any publicly traded companies that may form part of a Clients portfolio.

Determination of Type, Number and Timing of Transactions:

Other than as specified by a Fund's investment guidelines or pursuant to the terms of a separate account investment management agreement, Kiltern has sole authority to determine, without obtaining specific consent, the amount and specific securities to be bought and sold for each account.

Item 12. Brokerage Practices

Brokerage Selection and Commission Issues:

Kiltearn may select brokers and dealers for the execution of equity and foreign exchange transactions recommended on behalf of its Clients and clearing trades, for provision of research and research related services, and assistance with other stock exchange transactions in its sole discretion. Kiltearn is not affiliated with any broker/dealers and does not execute equity or foreign exchange transactions as a principal. Accordingly, Kiltearn selects unaffiliated third-party broker/dealers to execute all Client transactions although, as permitted by applicable law and described in more detail below, Kiltearn may from time to time direct a Client to purchase or sell equity securities or currencies directly from or to another Client as part of transactions not requiring the use of a broker.

In selecting brokers, Kiltearn seeks the best combination of price and quality of execution services, after considering factors that may impact the transaction. These factors include, but are not limited to, the particular expertise of the broker with respect to the size or type of transaction, the commission rates charged, the nature and character of the relevant markets on which the transactions will be executed, and the broker's execution experience, integrity, credit-worthiness, financial responsibility and operational efficiency. Kiltearn primarily relies upon its own proprietary research in rendering investment advice. Nevertheless, Kiltearn may consider the availability and quality of research products and services provided by a broker in selecting which brokers to use in effectuating Client transactions. Research products and services include information and analysis of portfolio companies, their competitors or suppliers, industry and economic appraisals, market intelligence data, and other services that may assist Kiltearn in its investment decision-making. Kiltearn executes Client transactions through various types of brokerage arrangements:

- **“Traditional” Brokers.** Traditional brokers provide Kiltearn and the Clients with a **“bundled”** service which typically includes both the cost of trade execution and research-related products and services in quoted commission rates. While traditional brokers will execute transactions on behalf of Clients on a so-called **“agency”** or **“execution only”** basis, they also will execute transactions as a principal, thereby risking their proprietary capital to facilitate Client transactions. Traditional brokers may also be used to execute transactions when, for example, a broker possesses special or unique knowledge of a company, industry or sector, where they act as **“house broker”** (i.e., to facilitate share buybacks), or can trade larger blocks of securities without disrupting market prices.
- **“Execution Only” and “Agency” Brokers.** Although permitted to do so, execution and agency brokers generally choose not to provide research services to Kiltearn, or risk their proprietary capital when acting as counterparty, and therefore generally provide trade execution services at reduced commission rates related to traditional brokers. These brokers ordinarily rely on natural market order flow to facilitate trades. On occasion, when there is a less-liquid natural market, this may make it somewhat more difficult to facilitate Client transactions. Given these shortcomings, execution and agency relationships are used primarily to facilitate Client transactions involving certain larger capitalization and highly liquid securities. Execution and agency brokers may utilize electronic crossing networks for Kiltearn’s transactions if and when appropriate.
- **Internal Cross Transactions.** Subject to ERISA or other applicable laws to reduce transaction costs, rebalance the Fund investment portfolios or for other reasons, Kiltearn may from time to time, to the extent permitted by law, cause a Client account to enter into cross transactions directly with other Client accounts for which Kiltearn also acts as adviser. This normally occurs where inflows into one Client account coincide with outflows from another Client account for which Kiltearn also acts as an adviser. In the event that Kiltearn causes one Client to purchase securities from or sell securities to another Client, Kiltearn uses its best efforts to mitigate potential conflicts of interest by causing the transaction to ordinarily occur at the then prevailing market price of the applicable securities and by considering the interests of all Clients that are parties to the transaction. Kiltearn may use unaffiliated third party brokers to facilitate these cross transactions and/or execute such cross transactions **“off-exchange”** without using a broker. No commissions are paid when the cross trades are executed **“off-exchange”**. Kiltearn will provide a

Unitholder with details of the Clients crossing activities on a periodic basis upon the receipt of a written request for such information from the Unitholder.

- **Commission Recapture and Directed Brokerage.** Kiltearn does not participate in commission recapture or directed brokerage arrangements and Unitholders participating in Kiltearn's Funds are not permitted to direct Kiltearn to use or allocate commissions from any broker. In certain limited circumstances separate account clients are permitted to direct brokerage. The level of directed brokerage (if any) is closely monitored for conflict purposes.

Commission costs may vary for reasons such as whether execution and research services are bundled or separately charged. Commission costs also are reflective of different commission schedules in effect in different markets. Commission cost factors include, but are not limited to, the particular expertise of the broker with respect to the size or type of transaction, the commission rates charged, the nature and character of the relevant markets on which the transactions will be executed, and the broker's execution experience, integrity, credit-worthiness, financial responsibility and operational efficiency. Commission rates generally are subject to annual reappraisal, ordinarily during formal reviews of the third party broker relationship, and are subject to careful monitoring and renegotiation to ensure that they are competitive.

Kiltearn does not share, directly or indirectly, in any of the revenues generated by brokerage transactions. Kiltearn is responsible for negotiating commissions and spreads paid in connection with such transactions and may select brokerage firms that provide research to Kiltearn, resulting in the payment of higher rates or spreads than those charged by other brokers if Kiltearn believes such rates are justified by the value of the research provided, or the quality or nature of the brokerage services.

Soft Dollar Considerations:

It is Kiltearn's policy, consistent with the obligation to seek the most favourable combination of price and quality of execution, to effect transactions from time to time with brokers who provide research related products or services or pay for research related products and services provided by third parties directly or indirectly to Kiltearn.

Kiltearn may receive "**soft-dollar**" benefits from, or pay "**soft dollar commissions**" to brokers and may participate in commission sharing arrangements ("**CSAs**") so long as these CSAs comply with applicable regulations. The type of "**soft dollar**" benefits received by Kiltearn from brokers and counterparties is limited to research and research related services that fall within the so-called "**safe harbour**" provisions of Section 28(e) of the U.S. Securities Exchange Act of 1934 and the so-called "**permitted research**" exemptions established by the Financial Services Authority in the United Kingdom governing the receipt of research and execution services from brokerage counterparties. This includes, among other items, research of actual or potential portfolio companies, their competitors or suppliers as well as market intelligence data. These research services provide Kiltearn's investment and portfolio managers and analysts with valuable assistance in the decision-making process. Kiltearn believes that the amount of commissions paid to brokers providing it with research and research related products and services is reasonable in relation to the value of the brokerage and research services provided by the broker/dealer, viewed in terms of a particular transaction or Kiltearn's overall responsibilities to its Clients and Unitholders.

The United Kingdom Financial Services Authority ("**FSA**") requires all investment managers to provide Unitholders with detailed information on the sources and uses of Unitholders commissions. This summary is provided to Unitholders on a semi annual basis and highlights the proportion of Unitholders commissions used for execution and research services across Kiltearn's portfolios. Commission rates will vary from year to year depending on investment activity. This information is available on request.

Allocation of Investment Opportunities:

Kiltearn endeavours to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among its Clients. When Kiltearn determines that it would be appropriate and feasible for more than one Client to participate in an investment opportunity, Kiltearn may place combined orders for all such Clients simultaneously and, if the order is not filled at the same price, Kiltearn will average the prices paid over a particular trading day or such longer period consistent with the accumulation or disposition of a particular trade. Similarly, if an order is placed on behalf of more than one Client and the order cannot be fully executed under prevailing market conditions, Kiltearn may allocate the trade execution among different Clients on a basis that Kiltearn deems equitable. This is normally achieved by pro-rating actual trade executions among Clients in accordance with the total number of shares outstanding on each Client's order and rounding such executions to reflect minimum trading sizes, minimum allocations necessary to avoid undue costs being realised by Clients (such as transactions and foreign exchange costs resulting from smaller allocations), and efficiencies inherent in trade reporting. If Kiltearn elects for Clients to participate in initial public offerings, governmental privatisations or other similar events, all allocations are done on a strict pro rata basis taking into account minimum trading sizes and other regulatory restrictions. Situations may occur where a Client could be disadvantaged because they participated in the aggregate order.

Kiltearn anticipates that the substantial majority of its trade executions will be allocated between Clients in a pro-rata manner. In the rare circumstance where Kiltearn determines that this pro rata allocation methodology may not be in a Client's best interest, Kiltearn may, in its reasonable discretion, make an adjustment to the pro-rata allocation. This may occur when a Client has insufficient cash on hand to settle an allocated order or satisfy certain future commitments. This may also occur if a Client will be overdrawn as a result of accepting a commitment to purchase the allocated securities, or if the Client will suffer unnecessary costs or charges related to trading or settlement. In these situations, Kiltearn will use its judgment to determine whether a Client should receive no allocation or a smaller allocation of shares resulting from a given execution. In other situations, a larger allocation of shares may be made to a Client if, for example, an additional allocation is required to clear a Client's negative cash balances or to raise funds to satisfy future Client commitments.

Clients should be aware that Kiltearn is not ordinarily subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to any one Client or group of Clients or subject to any restrictions on the nature or timing of making investments for a Client or its own accounts. Kiltearn is not required to accord exclusivity or priority to any one Client or group of Clients in the event of "**limited availability**" investment opportunities.

Subject to certain trading restrictions outlined in Kiltearn's Compliance Manual, and Code of Ethics, Kiltearn's employees and principals may buy and sell securities (or other derivative instruments) for their own account and/or the accounts of others. Such trading may be similar to, or different from, the investment strategies pursued on behalf of the Kiltearn's Clients and securities included in Client portfolios.

Item 13. Review of Accounts

Reviews and Reviewers:

All Funds, and where applicable, separate account investments are kept under daily review both for price and changes in fundamentals affecting the securities. All portfolios are reviewed weekly by Murdo Murchison and the members of the Portfolio Management Group, as defined below. All reviewers are equally responsible for ensuring that accounts are maintained in line with Kiltearn's policies and are equally responsible for all accounts.

Frequency of Regular Reports to Clients:

Clients with segregated accounts (these are ordinarily used to facilitate investment in and/or withdrawal from one of Funds) receive a monthly valuation and a schedule of transactions for their

portfolios. Unitholders receive a monthly participation report showing selected information about their investments in the commingled fund directly from each fund's fund administrator. Such reports are ordinarily distributed on or before the seventh business day of each calendar month. Unitholders also receive audited financial statements for the Funds on an annual basis. All Clients and Unitholders receive a written review directly from Kiltarn that describes the economic and financial background, the strategy adopted, the results achieved and Kiltarn's outlook for the future, together with certain analytical information describing the Client's or Fund's (as applicable) holdings. This review is ordinarily included in a newsletter provided by Kiltarn, at a minimum, on a monthly basis.

Item 14. Client and Unitholder Referrals and Other Compensation

Kiltarn does not receive any compensation or other economic benefit from any non-Clients for providing investment management services nor compensates any persons for Client and/or Unitholder referrals so this item is not applicable.

Item 15. Custody Considerations

Northern Trust acts as the custodian, fund administrator and custodial trustee (where required) for the Funds. Unlike most privately offered collective investment funds which generally are organised as limited partnerships or limited liability companies, the US Fund is organised as a Delaware statutory trust. This type of fund calls for a specific custodial trustee and Delaware trustee to be appointed. With respect to this Fund, Northern Trust has been appointed as custodial trustee and an indirect wholly owned subsidiary of Northern Trust has been appointed as Delaware trustee. The Irish Fund is legally structured as an Irish unit trust and is regulated as a UCITS (Undertaking for Collective Investment in Transferable Securities).

Kiltarn does not act as custodian for or hold any Client moneys or assets. Northern Trust is solely responsible for the custody and safekeeping of the Funds' assets, performs certain administrative functions for the Funds at the direction of Kiltarn in accordance with each Fund's governing documents and provides certain recordkeeping and accounting services to the Funds, including the calculation of the Net Asset Value of the Funds and its units on a monthly (or more frequent) basis and the distribution of valuation statements directly to the Unitholders. Kiltarn pays Northern Trust's fees related to the services Northern Trust performs on behalf of the Funds and the Unitholders. Northern Trust acts as the principal counterparty to the Fund's spot and forward currency contracts and provides certain foreign exchange calculation and trade services in accordance with various agreements with Kiltarn. Kiltarn does not require Northern Trust to provide collateral to support unrealized gains related to the Fund's currency contracts.

Valuation of the Funds:

In its capacity as fund administrator, Northern Trust is responsible for independently valuing each Fund's assets. Equity securities are ordinarily valued using the closing price reported by their primary stock exchange and translated into USD using exchange rates provided by WM/Reuters. These are the same prices and exchange rates used by major market indices such as MSCI for valuing (among others) the MSCI ACWI (All Countries World Index) Index. Forward currency contracts are valued using WM/Reuters exchange rates and adjusted to reflect the settlement period for the forward currency contract. Kiltarn does not require Northern Trust to provide collateral to support unrealized gains related to a Fund's foreign currency contracts. Dividend and withholding tax accruals are valued at fair market value in accordance with GAAP.

The net asset value of the Funds and the calculation of the net asset value of each unit are determined in U.S. dollars by Northern Trust or at the direction of Kiltarn, as of the last business day of each month and on such other dates as Kiltarn, with the consent of Northern Trust, shall determine. In exceptional circumstances, Kiltarn may require Northern Trust to value the Funds more frequently.

The “**Net Asset Value**” of each of the Funds equals the aggregate value of the units of each Fund. For these purposes, the Net Asset Value of a Fund equals the aggregate value of the assets of the Fund, less its total liabilities (including accrued liabilities, irrespective of whether such liabilities may in fact ever be paid), determined by Northern Trust in good faith in its sole discretion. The Net Asset Value of a Fund is determined under the accrual method of accounting in accordance with U.S. generally accepted accounting principles. The net asset value of any units held by a Unitholder as of a valuation date is equal to the net asset value of the Fund as of a valuation multiplied by the percentage interest corresponding to such Unitholder as of the valuation date.

Northern Trust is required to independently assign valuations to portfolio investments for the purposes of determining the Net Asset Value of each of the Funds and the Net Asset Value of the unit of each Fund. Such valuations will be determined in accordance with each Funds trust agreement.

Securities which are listed or traded on any generally recognized securities exchange are valued at their closing price as is customarily ascertained by the respective primary exchange on which such security is traded and disseminated by quotation services such as WM/Reuters or Bloomberg or published in recognized newspapers such as The Wall Street Journal and the Financial Times. If no sale has been reported for that day or if the primary exchange was not open on that day, the last published sale price or the last recorded bid price, whichever is more recent, shall be used, unless in the opinion of Northern Trust the value thus obtained does not fairly indicate the actual market value, in which case Northern Trust may rely on the value obtained from a reputable broker or investment banker as of the Valuation Date. Other valuation methods may also be used as provided under a Fund’s specific trust agreement or governing documents.

Securities traded only in the over-the-counter market are valued at the mid-point between the closing representative bid and asked prices therefore as reported by such securities’ reporting system and for other over-the-counter securities at the mid-point between the last current bid and asked prices therefore determined in accordance with quotations obtained from a reputable broker or investment banker as of the Valuation Date. Notwithstanding the foregoing, Northern Trust may use any other method of valuation which is or which becomes generally accepted practice for valuation of assets of group trusts or similar collective investment vehicles or which is or becomes permitted by the Codification of Financial Reporting Policies promulgated by the SEC.

For purposes of determining the value of the Funds’ securities, Northern Trust may rely upon reports printed in any newspaper of general circulation or in any other newspaper Northern Trust deems appropriate, or in any financial periodical or industry-recognized quotation service, or in the records of any securities exchange, as sufficient evidence of sale, bid and asked prices, and over-the-counter quotations.

Other securities or assets which otherwise cannot be valued under the preceding provisions are valued on the basis of data obtained from the best available sources, including employees of Northern Trust, brokers or dealers who deal in or are familiar with the type of investment involved or other qualified appraisers including Kiltearn, or by reference to the market value of similar investments for which a market value is readily ascertainable.

If, on the date as of which any valuation is being made, the exchange or market herein designated for the valuation of any given asset is not open for business, the valuation of such asset is determined as of the last preceding date on which such exchange or market was open for business.

Notwithstanding the foregoing, if the securities to be valued constitute a block that, in the judgment of Kiltearn, could not be liquidated in a reasonable time without depressing or inflating the market, or restrictions upon marketability exist with respect to such securities, Kiltearn may direct Northern Trust to assign securities a different value than that calculated above; provided that such block shall not be valued at a unit value in excess of the quoted market price of such securities. The foregoing valuations also may be modified by Kiltearn, with the consent of Northern Trust, in its sole discretion,

if and to the extent Kiltarn shall determine that such modifications are advisable to reflect other factors affecting the value of assets (see the “**challenge procedure**” set out below).

Kiltarn reviews but can not arbitrarily override Northern Trust valuations. If Kiltarn believes that Northern Trust has misvalued a given security, Northern Trust requires Kiltarn to follow an established challenge procedure. Kiltarn provides a written letter of direction advising Northern Trust of the discrepancy and support for Kiltarn’s market prices/exchange rates. Northern Trust will then consider the challenge over the subsequent 24 hour period and compare the proposed price and/or exchange rate to other independent pricing sources and its own internal valuations. If Northern Trust determines that the proposed price and/or exchange rate is valid, Northern Trust will change the market price/exchange rate used in the valuation of the Funds Net Asset Value. If the proposed price and/or exchange rate are not, determined to be valid, the original price and/or exchange rate used in the valuation will stand. Because of the nature of the Funds’ investments (publicly traded equities), pricing challenges are infrequent.

Net Asset Value determinations reflect the deduction of all accrued debts and liabilities of the Funds, as the case may be, including any contingencies for which reserves are determined to be required by Kiltarn, in its sole discretion.

Situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Funds Net Asset Value if Northern Trust’s or Kiltarn’s judgments regarding appropriate valuations should prove incorrect. In the absence of bad faith or manifest error, Northern Trust’s Net Asset Value determinations are conclusive and binding on all Funds and Unitholders.

Northern Trust may request that Kiltarn certify the value of any securities or other property held in the Funds. Any such certification shall be regarded as a direction with regard to such valuation and shall be conclusive with respect to the valuation of the assets involved.

When approved, Northern Trust is responsible for preparing the Fund participant reports. As with the Funds valuations, Kiltarn reviews the reports prior to their transmittal to Unitholders. Once approved, the reports are sent directly by Northern Trust to the Unitholder. Kiltarn does not have any opportunity to ‘alter’ or ‘adjust’ Unitholders valuations.

Item 16. Investment Discretion

Kiltarn accepts discretionary authority to manage securities accounts on behalf of its Clients. Other than as specified by a Fund’s investment guidelines or pursuant to the terms of a separate account investment management agreement, Kiltarn has sole authority to determine, without obtaining specific consent, the amount of and specific securities to be bought and sold for each Client.

Error Correction Considerations:

On rare occasions, an error may be made with respect to a Client transaction. For example, a security or other financial instrument (such as a spot or forward currency contract) may be erroneously purchased or sold, a Client account’s investment guidelines may be inadvertently breached, or a security may be tendered in error as part of a corporate action. When it bears legal responsibility for correcting the error, Kiltarn seeks to place the Client in a substantially similar position as the Client would have been in had the error not occurred. In certain circumstances, Kiltarn may be required to obtain the consent of its insurers, regulators (which may include, but are not limited to the UK FSA, the SEC, and the US Department of Labor), an independent fiduciary acting on behalf of its Clients, and/or its Clients before resolving an error. Obtaining these consents or correcting the error may result in, among other items, delays in placing the Client in a substantially similar position as it would have been had the error not occurred, in the payment of compensatory amounts (these payments may, in certain circumstances, be paid over a period of years if Kiltarn has insufficient funds available to reimburse the impacted Client, and/or the suspension of the calculation of a Client’s Net Asset Value.

Item 17. Voting Client Securities

Kiltearn considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its Clients to recognize the fiduciary responsibility it assumes in acting as investment manager. Kiltearn also recognizes the need to exercise its proxy voting obligations with a view of enhancing its Clients' long term investment values. Kiltearn believes that both are generally compatible with good corporate governance as they provide the best operating environment for each underlying portfolio company to cope with competitive commercial pressures. To help achieve its objectives, it is Kiltearn's policy, subject to the considerations described below, to use its best efforts to vote proxies arising on all shares held on behalf of its Clients.

Standard issues typically arise at Annual General Meetings ("**AGMs**") or Ordinary General Meetings ("**OGMs**"). Standard issues may include items of a routine nature such as the presentation of financial statements to shareholders, approval of routine executive compensation or incentive plans, approval of financial statements by shareholders, election of directors and approval of director's fees, election of auditors and approval of audit fees, and declaration of dividends.

Material issues may arise at Extraordinary General Meetings ("**EGMs**"), Special General Meetings ("**SGMs**"), OGMs or AGMs. Material issues may include items that relate to corporate governance matters; changes in a company's country of incorporation; mergers and other corporate restructurings; anti-takeover provisions such as staggered boards, poison pills, or supermajority provisions; changes to capital structures including increases and decreases of capital and preferred stock issuance; material stock options, management compensation or incentive plan issues; and social and corporate responsibility considerations. Kiltearn also considers standard issues to be material issues when it has knowledge that a potential conflict of interest with management is present. These situations can arise where Kiltearn manages a portfolio company's US retirement plan assets, a portfolio company or one of its affiliates is also a brokerage counterparty to a Client security or foreign currency transaction, or where the person responsible for overseeing investments at an underlying Unitholder that is invested in one of the Funds is also a director or officer of a portfolio company that would materially benefit from any executive compensation or incentive scheme subject to shareholder vote. Please note, however, that Kiltearn may not be aware of the roles performed for portfolio companies by underlying Unitholders. Clients are requested to notify Kiltearn of any known affiliations with publicly traded companies that could fall within Kiltearn's investment universe. Clients are also requested to notify Kiltearn if they are actively involved in the financial services industry or affiliated or employed by an investment bank, broker dealer, custodian or asset management firm.

Northern Trust acts as the custodian of the Funds and holds all securities owned by the Funds for the benefit of their Unitholders. Northern Trust has outsourced certain of its proxy processing responsibilities to Riskmetrics ("**Riskmetrics**"), a leading provider of proxy voting and corporate governance services. Riskmetrics principally provides Kiltearn with meeting notification and ballot delivery services, agenda summaries, detailed agenda content including original source documents, translation services, power of attorney maintenance, recordkeeping and custom reports, and vote instruction processing services. Meeting notifications are provided according to an established service level agreement in place between Northern Trust and Riskmetrics and one in place between Northern Trust and Kiltearn. Kiltearn does not outsource any part of its proxy voting decision making process to Riskmetrics or Northern Trust. Longer term and temporary separate accounts Clients generally name their own custodians who may use a different provider of proxy processing services.

Following receipt of proxy voting materials from Riskmetrics, a member of investment administration give a "**Proxy Voting Summary Form**" of the issues to a member of the Kiltearn's Portfolio Management Group ("**PMG**") for review. The form includes the details of the number of shares held by a Client and a deadline for the response. If only standard issues are included on the proxy, one PMG member will decide on how to vote the proxy and sign the proxy voting summary form. If material issues are included, enhanced procedures apply. The PMG member will discuss the issues with a second PMG member, assess the potential impact that the issues may have on the portfolio

company, and decide on how to vote the proxy in question. Both PMG members will sign the proxy voting summary form. Once approved, a member of investment administration will process the proxy vote electronically using Riskmetrics's proprietary system. A second a member of investment administration will verify the input.

In certain circumstances, Kiltearn may be unable to vote a specific proxy including (but not limited to) when Northern Trust or Riskmetrics does not provide a voting service in a given market, because Northern Trust or its agent, in error, does not process a proxy or provide sufficient notice of a vote, or because an error is committed by any party involved in the proxy voting or registration process. Kiltearn may also refrain from voting if for example it is considering liquidating a position (as shares may be blocked when proxies are submitted), where the costs of voting a specific proxy outweigh the economic benefit that Kiltearn believes would be derived by the Client, where a specific class of shares does not carry voting rights with respect to a given issue subject to shareholder vote, or where re-registration of the shares into the Client's (rather than Northern Trust's nominee's) name may (or may reasonably be expected to) result in a violation of local privacy laws or adversely impact the Client's economic interests.

Clients are advised that when voting proxies in certain international markets, Kiltearn may be constrained by certain country or portfolio company specific issues. For example, some companies in the portfolio impose voting caps on the maximum number of proxy votes that any single outside shareholder may control. Others require all board issues to be resolved by a show of hands, rather than a poll. As all of Kiltearn's Client shares may be held by one nominee, these restrictions have the effect of substantially limiting the impact of any proxies cast. Furthermore, some companies in the portfolio may restrict investment managers (such as Kiltearn) from voting proxies where disclosures of Client holdings or securities under Kiltearn's control have not been made on a timely basis or in a format required under the their articles of incorporation.

Clients may receive a quarterly summary of proxies voted or not voted and issues raised at meetings held by portfolio companies, or by contacting Kiltearn's Chief Operating Officer (Stuart Gunderson on 011-44-131-460-1041 or via email on sgunderson@kiltearnpartners.com) and asking to be included on the quarterly proxy voting distribution list.

Item 18. Financial information

Kiltearn does not require or solicit the prepayment of fees and so this item is not applicable.

Item 19. Education and Business Background of Various Kiltearn Employees

A summary of the education and the last ten years of their business background of various Kiltearn employees, working partners and other members of senior management are set out below. Additional information is available from Kiltearn's Chief Operating Officer details of which are shown elsewhere in this Form ADV Part 2.

Name:	Murdoch Ross Murchison
Date of Birth:	12 th October 1965
Education and Degree:	(1) University of Glasgow, UK Diploma of Legal Practice
	(2) University of Edinburgh, UK Bachelor of Law with Honours
Business Background:	Kiltearn Partners LLP; 2011 to present Chief Investment Officer Member of Supervisory Group

Kiltearn Limited; 2011 to present
Chairman, Director

Franklin Templeton; 1993 to 2007
President, Portfolio Manager

Murdo Murchison has never been the subject of any legal or disciplinary events.

Name: Craig Robert Watson
Date of Birth: 23rd August 1969

Education and Degree: (1) University of Stirling, UK
MSc. Investment Analysis (with distinction)
(2) Robert Gordon University, UK
B.A. (Honours) Business Studies

Business Background: Kiltearn Partners LLP; 2011 to present
Investment Manager

Franklin Templeton; 2007 to 2011

JP Morgan; 2003 to 2007

Deutsche Bank; 1997 to 2003

Craig Watson has never been the subject of any legal or disciplinary events.

Name: Craig McColl Collins
Date of Birth: 11th April 1974

Education and Degree: Robinson College, University of Cambridge, UK
Ph.D. in Chemistry

Business Background: Kiltearn Partners LLP; 2011 to present
Investment Manager

Baillie Gifford; 2000 to 2011

Craig Collins has never been the subject of any legal or disciplinary events.

Name: Khaled Mohamed
Date of Birth: 9th September 1983

Education and Degree: Downing College, University of Cambridge, UK
MA Classics

Business Background: Kiltearn Partners LLP; 2011 to present
Investment Manager

Baillie Gifford; 2007 to 2011

Khaled Mohamed has never been the subject of any legal or disciplinary events.

Name: Stuart Gunderson
Date of Birth: 13th July 1979

Business Background: Kiltearn Partners LLP; 2011 to present
Member of Supervisory Group
Chief Operating Officer

Kiltearn Limited; 2011 to present
Director

Franklin Templeton; 2007 to 2011

Morgan Stanley; 2002 to 2007

HSBC; 2000 to 2002

Stuart Gunderson has never been the subject of any legal or disciplinary events.

Name: Gillian Elspeth Gallacher
Date of Birth: 31st March 1965

Business Background: Kiltearn Partners LLP; 2011 to present
Chief Compliance Officer

GEM Consulting; 2006 to present

Hewitt Associates; 2003 to 2006

Bacon & Woodrow; 2000 to 2003

Lloyds; 1998 to 2000

Gillian Elspeth Gallacher has never been the subject of any legal or disciplinary events.

Name: Timothy John Linehan
Date of Birth: 1970

Education and Degree: University of Notre Dame
BA in Accounting

Business Background: Silchester International Investors, Inc.
Client Services Manager / Legal and Compliance; 1997 to 2003

Silchester International Investors LLP; 2010 to present
Member of Supervisory Group
Chief Compliance Officer and Head of Operations
Senior Partner

Silchester Partners Limited; 2003 to 2010
Chief Compliance Officer and Head of Operations; 2003 to 2010
Director; 2011 to present

Highclere International Investors LLP; 2011 to present
Non-Executive Member of Supervisory Group

Highclere Investment Management Limited; 2006 to present
Non-Executive Director

Heronbridge Investment Management LLP; 2005 to present
Non-Executive Member of Supervisory Group

Heronbridge Limited; 2005 to present
Non-Executive Director

Sanderson Asset Management Limited; 2006 to present
Non-Executive Director

Edgbaston Investment Partners Limited; 2008 to present
Non-Executive Director

Kiltearn Partners LLP; 2011 to present
Non-Executive Member of Supervisory Group

Kiltearn Limited; 2011 to present
Non Executive Director

Timothy Linehan has never been the subject of any legal or disciplinary events.