



## Item 1 – Cover Page

# LGT Capital Partners (USA) Inc.

Form ADV Part 2A  
("Brochure")

LGT Capital Partners (USA) Inc.  
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March 30, 2015

This Brochure (also known as Form ADV Part 2A) provides information about the qualifications and business practices of LGT Capital Partners (USA) Inc., a Delaware corporation ("**LGT CP New York**"). If you have any questions about the contents of this Brochure, please contact us at (212)336-0650. 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.

Additional information about LGT CP New York is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number for LGT CP New York is 160437.

LGT CP New York is registered as an investment adviser with the SEC. Our registration as an investment adviser with the SEC or any state securities authority does not imply a certain level of skill or training.

The oral and written communications of an adviser provide you with information with which you determine to hire or retain an adviser.

## Item 2 – Material Changes

This item only discusses specific material changes that have been made to this Brochure since the last annual update filed on March 31, 2014, and provides clients with a summary of such changes. Our current ADV Part 2 will be available to you 24 hours a day through the SEC's Investment Adviser Disclosure website. Additionally, pursuant to the SEC rules, we will ensure that within one hundred twenty (120) days of the close of the business' fiscal year you receive either: (i) a copy of our form ADV Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV Part 2. We may further provide other ongoing disclosure information about material changes as necessary. We will provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Since our last annual filing on March 31, 2014, we have made the following material changes to our Form ADV Part 2A:

- Form ADV Part 2A has been revised to reflect updated information pertaining to our assets under management.
- Form ADV Part 2A has been revised to provide update to Item 10 - Other Financial Industry Activities and Affiliations.

We urge all recipients of this Brochure to read it carefully in its entirety.

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## Item 4 – Advisory Business

### *Firm Description*

LGT CP New York is part of LGT Capital Partners (“LGT CP”), a global alternative investment management specialist with approximately \$50 billion in assets under management and more than 400 institutional clients, including national and local government pension funds, corporate pension funds, insurance companies, sovereign wealth funds, foundations, endowments and banks.

While part of a global investment management business, the focus of this brochure is limited to the activities of LGT CP New York. LGT CP New York is a registered investment adviser with the SEC. LGT CP New York was founded and incorporated in the State of Delaware in 2002. LGT CP New York is a direct wholly-owned subsidiary of LGT Capital Partners Holding (USA) Inc. (“LGT CP Holding”), a company incorporated under the laws of the State of Delaware. LGT CP Holding is a wholly-owned subsidiary of LGT Capital Partners Ltd. (“LGT CP Pfaeffikon”), an exempt reporting adviser located in Pfaeffikon, Switzerland. LGT CP Pfaeffikon is a wholly-owned subsidiary of LGT Holding International, which is a wholly-owned subsidiary of LGT Holding Denmark ApS, which is wholly owned by LGT Holding (Malaysia) Limited, which in turn is wholly owned by LGT Group Foundation. LGT Group Foundation is 100% controlled by the Prince of Liechtenstein Foundation.

H.S.H. Reigning Prince Hans-Adam II. von und zu Liechtenstein is the main beneficiary of the Prince of Liechtenstein Foundation.

### *Advisory Services*

Principally, LGT CP New York offers investment advisory services to its affiliate, LGT CP Pfaeffikon in connection with certain assets advised by LGT CP Pfaeffikon. Such assets generally include private investment vehicles, e.g. private equity and hedge fund investments (the “LGT Funds”). Specifically, LGT CP New York provides LGT CP Pfaeffikon with information on U.S. financial and commodities markets and conducts due diligence and monitors potential investments for the LGT Funds, which include:

- Detailed reviews of investment managers in the United States, including reviews of their investments under management, their client base, their products, track record, history and employees.
- Detailed reviews of U.S.-based funds in which the LGT Funds advised by LGT CP Pfaeffikon would possibly invest, including terms and conditions, assets, track record, investors, investment management policies, risk management, performance, marketing procedures, portfolio trading, portfolio composition, transparency, competition and other matters, as LGT CP Pfaeffikon may require from time to time.

LGT CP New York conducts regular on-site visits of both portfolio managers in the United States and managers of U.S.-based funds, as well as on-going monitoring services of same. While LGT CP New York engages in fundamental analysis when providing research and investment advisory services, it also places strong emphasis on qualitative analysis of portfolio managers and managers of U.S.-based funds.

Additionally LGT CP New York regularly reviews and analyzes the progress of the LGT Funds' existing investments and provides detailed reports to LGT CP Pfaeffikon. Upon the review and analysis, LGT CP New York may recommend changes to the asset allocation and portfolio construction of LGT Funds.

A number of LGT CP New York investment professionals participate in the LGT CP Pfaeffikon's Investment Committees. Some of these investment professionals are entitled to and periodically vote as to the particular investments to be made in LGT Funds or the asset allocation of the LGT Funds.

LGT CP New York will tailor its advisory services from time to time as may be requested by LGT CP Pfaeffikon.

LGT CP New York does not participate in any wrap fee programs.

#### *Assets under Management*

As of December 31, 2014, the funds and managed accounts that were sub-advised by LGT CP New York had approximately USD 5,082,832,738 of discretionary assets under management and approximately USD 275,398,976 of non-discretionary assets under management.

### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by LGT CP New York is established pursuant to a written agreement by and between LGT CP New York and LGT CP Pfaeffikon.

LGT CP New York charges an annual fee for the investment advice it provides to LGT CP Pfaeffikon based upon the time, costs and expenses actually incurred by LGT CP New York in connection with the provision of such advice, plus an additional, up to a 20% fee, for advice relating to structuring, managing and administering of LGT Funds available to U.S. investors and communicating and maintaining relationships with the U.S. investors in accordance with applicable laws, rules and regulations.

LGT CP New York is entitled to pass on costs invoiced to it by third parties to LGT CP Pfaeffikon, provided such costs can be ascertained, substantiated, and verified.

For information on performance-based fees, please see *Item 6 – Performance-Based Fees and Side-by-Side Management*.

Please note that LGT CP Pfaeffikon and the LGT Funds bear their own expenses in connection with their investment activities, which, in the case of the LGT Funds, may include their

proportionate share of the expenses of the investment vehicles or accounts in which they invest. These expenses include, but are not limited to, management and performance fees, as well as the legal, accounting, administration and tax expenses incurred by such investment vehicles or accounts.

Under no circumstances does LGT CP New York require or solicit fees in advance of service.

LGT CP New York receives no compensation based on product sale or recommendations. LGT CP Pfaeffikon has the option to acquire investments on behalf of the LGT Funds that LGT CP New York may recommend through the brokers used by the LGT Funds, including any agents that are not affiliated with us, but typically does not use brokers in connection with making its underlying investments. LGT CP New York offers no brokerage services.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

### *Performance-Based Fees*

LGT CP New York does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the managed assets).

### *Side-By-Side Management*

LGT CP New York does not participate in side-by-side management.

## **Item 7 – Types of Clients**

Currently, LGT CP New York provides services only to LGT CP Pfaeffikon in connection with LGT Funds advised by LGT CP Pfaeffikon.

LGT CP NY has no minimum net-worth or account balance required for its investment advisory services.

## **Item 8 – Methods of Analyses, Investment Strategies and Risk of Loss**

### *General Investment Strategies*

LGT CP New York, at the request of LGT CP Pfaeffikon, provides information and recommendations on U.S. financial and commodities markets, which recommendations focus primarily on suitable potential investments for the LGT Funds advised by LGT CP Pfaeffikon. Accordingly, research and recommendations, as well as allocation models, focus primarily on investment fund managers and portfolio managers who operate in a manner most suitable in relation to investment strategies, objectives and restrictions of LGT Funds for which LGT CP Pfaeffikon has requested services.

### *Methods of Analyses*

In selecting suitable potential investments for LGT Funds advised by LGT CP Pfaeffikon, LGT CP New York will consider, among other things, the following:

- The length of time the fund manager has been associated with the applicable investment fund or has managed portfolios;
- The volatility of the results;
- The amount of the fund manager's own capital that is managed similarly to the applicable investment fund;
- Potential conflicts of interest;
- The liquidity of an investment in the investment fund or the portfolio;
- The liquidity of the investments of the investment fund or the portfolio;
- The degree of correlation or non-correlation between the performance of the investment fund or the portfolio, as the case may be, and that of the market;
- The degree to which the investment fund or the portfolio employs leverage;
- Review of the offering materials of the investment fund;
- The fees associated with an investment in the investment fund or the portfolio, as the case may be;
- An assessment of intangible characteristics of the fund manager, including the degree of risk associated with the fund manager's or portfolio manager's objectives and strategies and the fund manager's or portfolio manager's ability to react dynamically to fluid situations.

At LGT CP Pfaeffikon's request, LGT CP New York seeks diversification in an effort to enhance portfolio return while trying to diversify risks. LGT CP New York's methods of analysis include, but are not limited to, fundamental and qualitative research and analysis.

**Fundamental Analysis:** LGT CP New York attempts to measure the intrinsic value of an investment fund or manager by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the investment fund or portfolio itself) to determine if it is a worthy investment. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the value of an investment fund or a manager's portfolio can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the investment fund or portfolio manager.

**Qualitative Analysis:** LGT CP New York subjectively evaluates non-quantifiable factors such as quality of the fund manager or portfolio manager, such manager's track record in up markets as well as in down markets, strength of investment records and other factors not readily subject to

measurement, in an attempt to predict as accurately as possible the performance of the fund manager or portfolio manager, as the case may be.

A risk of using qualitative analysis is that LGT CP New York's subjective judgment may prove incorrect.

LGT CP New York tends to focus primary on long-term purchases as well as on liquid investments, investments grade fixed income instruments, well-known funds and diversification, but does not focus on frequent trading.

### *Risks*

Generally, clients should keep in mind that all types of investments recommended to LGT CP Pfaeffikon in reference to the LGT Funds or otherwise involve risk of loss. **It is important to understand that investing in general involves risk of loss that a client should consider well and be prepared to bear.** The discussion of risk factors below does not purport to be a complete explanation of the risks involved in investing in any investments analyzed and recommended by LGT CP New York or otherwise, but merely in an attempt to highlight those risks that may be involved with such activities.

*Investment Activities.* There can be no assurance that any investments analyzed and recommended by LGT CP New York will result in a profitable investment. Although it is the intention of LGT CP New York to analyze and recommend various investments to mitigate potential losses and ensure diversification, there can be no assurance that these investments will be taken into consideration by LGT CP Pfaeffikon or will ultimately be successful. The return of the investment, therefore, should be considered speculative, as there can be no assurance that LGT CP New York's assessment or recommendations regarding investments will prove accurate.

*Underlying Investments.* LGT CP New York generally intends to recommend investment funds or portfolios, as the case may be, not managed by LGT CP New York or its affiliates. While it is the objective of LGT CP New York to make recommendations in relation to the investment strategies, objectives and restrictions provided by LGT CP Pfaeffikon with regard to the LGT Funds, it is possible that the investment styles, investment returns, leverage, legal, operational, regulatory and other risks of underlying investments may differ (possibly materially) from those provided by LGT CP Pfaeffikon.

*Liquidity.* Alternative investments may include investments in securities that, while they may or may not be publicly traded, may be relatively illiquid. A position may be illiquid because the security is thinly traded or because an investment in a security is large in relation to the overall market for the security. Securities that are relatively liquid when acquired may become illiquid after the acquisition for many reasons (e.g., due to a company's market capitalization falling below the listing requirements of a stock exchange). The value assigned to illiquid securities (including thinly traded securities) and large blocks of securities for purposes of determining the

specific value of the securities may differ from the value an LGT Fund or its underlying investments are ultimately able to realize.

**Counterparty and Settlement Risk.** LGT CP New York may recommend investments that require entering into contracts with other parties. Such investments bear a risk that the counterparties will not or will not be able to carry out their obligations. To the extent over-the-counter derivative contracts or transactions (i.e., transactions in options or other derivatives that are not cleared through the facilities of an exchange or clearing organization) are recommended, they may be exposed to a special risk of default by a counterparty or to settlement difficulties. This risk may be materially greater than default or settlement risks involved in standardized and exchange-traded transactions. The latter are generally backed by clearing organizations' guarantees, are generally marked to market daily and intermediaries are generally subject to settlement and segregation and minimum capital requirements. Transactions directly with a counterparty generally do not benefit from those protections and expose each party to a greater risk of the other's default. For example, although a broker or dealer or other counterparty may collateralize its obligations to a particular party by segregating its assets and identifying them on its records as assets dedicated to that party, those or similar arrangements may not always be adequate to protect the party if the counterparty were to become insolvent and, even if they are, the party could expect delays in receiving the benefit of the derivative or other contract.

**Short Sales.** Many or all of the trading strategies expected to be executed by investments recommended by LGT CP New York involve the execution of "short sales". While short sales may be useful under certain circumstances in the pursuit of potential profit opportunities or the mitigation of certain forms of risk, they may result in an unlimited loss of capital within a relatively short period of time under certain other circumstances.

**Derivatives.** Recommended investments may invest in derivatives, including but not limited to futures, options, over-the-counter derivatives, swaps, forward contracts or other derivatives. Investment and trading in derivatives is often highly speculative and involves certain special risks, including without limitation a high degree of leverage, lack of liquidity, the absence of reliable price quotes or a reliable trading market, imperfect correlation between a derivative instrument and the underlying commodity or instrument, volatility, government intervention to influence prices, and, with respect to over-the-counter derivative instruments, non-performance of the counterparty to a transaction. Any of the foregoing risks could lead to significant losses.

**Fees of Underlying Investments.** The fund managers or portfolio managers of recommended investments are expected to charge fees and expenses to their investors. These fees might or might not be based upon assets or upon profits or other performance measures, and there might be no restrictions on the fees and expenses. Further, these fees and expenses may be substantial and will be in addition to any fees and expenses charged by an LGT Fund. The fees and expenses of these underlying investments will reduce the returns of the LGT Fund.

**International Investments.** While LGT CP New York will analyze the U.S. financial and commodities markets on suitable potential investments for any LGT Fund advised by LGT CP

Pfaffikon, such LGT Fund and/or its underlying investments may invest in a wide variety of markets and financial instruments, including some markets that may be considered emerging markets. It should be understood that special risks apply to such investments, including without limitation changes in exchange rates and exchange control regulations; devaluations or non-convertibility of foreign currencies; failures or disruptions in central banks, banking systems, markets or financial exchanges; changes in monetary policy, interest rates, or interest rate policies; political, social and economic instability; investment and repatriation restrictions; the expropriation of assets; default by sovereign states, exchange members or corporate issuers on their financial obligations, and limited recourse for such defaults; the imposition of foreign taxes; and less liquid markets, less information, higher transaction costs, greater difficulty in enforcing contractual obligations, less uniform accounting and auditing standards, less developed settlement and custodial practices, greater price volatility, and less government supervision of exchanges, brokers, market intermediaries, issuers, and other market participants than may be the case in a client's domestic jurisdiction.

**Bridge Financing and Leverage.** Investments recommended by LGT CP New York, may use borrowing instruments, including, in the case of some underlying investments, margin borrowing and other means that if such instruments were to decrease in value and under certain circumstances, could result in losses exceeding the assets. In addition to borrowing from securities brokers, dealers, banks or others, the investments may use derivatives to leverage capital, as discussed below. Leverage increases both the possibilities for profit and the risk of loss. Borrowings (or in some cases guarantees of performance of obligations) will usually be from (and, in the case of guarantees, by) securities brokers and dealers, and will typically be secured by the securities and other assets of the investments. Under certain circumstances, such a broker or dealer may demand an increase in the collateral that secures such obligations, and if the investment is unable to provide additional collateral, the broker or dealer could liquidate assets held in that of that investment's account to satisfy the investment's obligations. Liquidation in that manner could have extremely adverse consequences, including sales at disadvantageous times and prices.

**Currency Exchange.** The recommended investments may be in a different currency than the base currency of an LGT Fund. Exchange rate fluctuations could cause the value of an investment in an LGT Fund to increase or decrease.

**Hedging.** Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to involve transaction costs, involve a risk of loss, may give rise to liquidity problems or may inherently limit or reduce the potential for profit.

**Timing of Gains and Losses.** LGT CP New York might recommend investments that invest in securities that must be held for a significant period before the success or failure of the investment becomes apparent or any gains can be realized.

**Difficulty of Locating Attractive Investments.** Identifying, completing and realizing gain on attractive investments is highly competitive and involves significant uncertainty and there is no

guarantee that the investments recommended by LGT CP New York will secure suitable investments. Each recommended investment may compete for gaining access to attractive investments with other investors. The difficulty of finding suitable investments and the competition involved in securing such an investment may result in a failure to meet the investment objectives or strategies provided by LGT CP Pfaeffikon.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management.

LGT CP New York has no such legal or disciplinary events to disclose.

### **Item 10 – Other Financial Industry Activities and Affiliations**

LGT CP New York is part of LGT CP, an alternative asset management business line of LGT Group Foundation ("LGT Group"). As such, it has arrangements with companies that are under common control of LGT Group Foundation. LGT CP is not itself a legal entity; rather the legal entities remain the individual asset management firms. LGT CP New York also has affiliated investment advisers with whom it does not conduct any business.

Presently, LGT CP New York has only one contractual advisory relationship with LGT CP Pfaeffikon for the provision of certain services in connection with LGT Funds advised by LGT CP Pfaeffikon.

LGT CP New York is not registered and does not have an application pending as a securities broker dealer. Three business development professionals and the Chief Compliance Officer hold securities licenses with a third-party broker dealer, Foreside Fund Services, LLC. to facilitate private fund distribution.

LGT CP New York is registered as a commodity pool operator with the U.S. Commodity and Futures Trading Commission and is a member of the National Futures Association.

LGT CP New York currently has four personnel on staff with an active futures securities license with the National Futures Association.

Additionally, certain of LGT CP NY's access persons (see Item 11), who provide advisory services, are employees of a foreign affiliate, LGT CP Pfaeffikon, an Exempt Reporting Adviser (SEC File Number: 802-75606).

LGT CP New York has a relationship that is material to its advisory business with LGT Clerestory, LLC ("LGT Clerestory"), an affiliated investment adviser that is registered with the SEC. Employees of LGT CP New York share office space with LGT Clerestory in compliance with applicable regulations and with the appropriate supervision of compliance personnel. LGT CP New York has adopted policies and procedures to ensure protection of confidential

information relating to its clients. Also LGT CP New York shares certain services, e.g. Compliance, Business Development or HR/Office Management with LGT Clerestory.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### *Code of Ethics*

LGT CP New York has adopted a Code of Ethics consistent with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Act”). Because all Employees may at some time have access to or obtain investment information, LGT CP NY has designated all of its employees as access persons subject to the requirements of the Code of Ethics. More specifically, the definition of access person will generally include any director, officer, manager, employee or individual (including without limitation, consultants, trainees, interns and temporary staff whose employment is expected to last for 6 months or more<sup>1</sup>) having a function or role at LGT CP NY. The purpose of the LGT CP New York’s Code of Ethics is to establish standards of conduct expected of its employees and reflects LGT CP New York’s fiduciary responsibilities and duties to its clients. All employees are required to acknowledge in writing the receipt of the Code of Ethics and their agreement to comply with its procedures and provisions.

The objectives of the Code of Ethics are primarily to protect LGT CP New York’s clients, but also to educate and remind LGT CP New York’s employees of their position of trust, and to guard against violations of securities laws and establish verification procedures. Implicitly stated in the Code of Ethics is the recognition that, as an investment adviser, LGT CP New York is a fiduciary and, consequently has the responsibilities to render professional, continuous and unbiased advice, acting at all times in the client’s best interest and avoiding even the appearance of a conflict of interest.

More specifically LGT CP New York’s Code of Ethics covers the following areas:

- Employee personal security transactions and holdings;
- Policies and procedures designed to detect and prevent insider trading;
- Compliance with federal securities laws;
- Protecting confidentiality of client information;
- Sanctions and reporting of violations;
- Managing conflicts of interest;
- Political contributions.

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<sup>1</sup> The Compliance Department has discretion to determine, on a case by case basis, whether a particular person should be considered an access person under the LGT CP NY’s Code of Ethics.

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. LGT CP New York has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for LGT CP New York's Code of Ethics, which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. LGT CP New York requires all of its access persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. LGT CP New York has the responsibility to make sure that the interests of all clients are placed ahead of LGT CP New York's or its access person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. LGT CP New York and its access persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect its duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of LGT CP New York's Code of Ethics. However, if a client or a potential client wishes to review LGT CP New York's Code of Ethics in its entirety, a copy will be provided promptly upon request.

#### *Participation or Interest in Client Transactions and Personal Trading*

It is not a general practice to recommend client purchase or sale of securities in which LGT CP New York or a related person has an interest. Recommendations for clients are based upon the perceived advantage or disadvantages of the security in relation to the client's investment objectives and goals, and upon economic, financial, and other factors bearing on its value and on the valuation of alternatives. In order to minimize this conflict of interest, and in accordance with its fiduciary duty to clients, LGT CP New York and its access persons will place client interests ahead of their own interests. Any transactions must be carried out in a manner that does not work to the disadvantage of clients' transactions or result in a conflict of interest, or even the appearance of a conflict of interest. LGT CP New York prohibits its access persons from trading, either personally or on behalf of others, while in possession of material non-public information regarding a security or communicating material non-public information to others. Further procedures within LGT CP New York's Code of Ethics state that access persons:

- may not maintain securities, commodities or futures account at any broker, dealer, bank or investment adviser without LGT CP New York's knowledge,
- must consult the Restricted List prior to effecting any purchase or sell transactions,
- may not purchase or sell certain securities unless the access person obtains advance clearance of such transition from the Compliance Department. These securities transactions include Initial Public Offerings (IPOs) and Limited Offerings (e.g. participation in hedge funds, private equity funds, private placements, etc.) including investments in LGT Funds.

- may not purchase or sell securities if access person has knowledge at the time of such transaction that the security is being purchased or sold, or is being considered for purchase or sale, for a client account.

## **Item 12 – Brokerage Practices**

Generally, LGT CP New York provides information and recommendations on U.S. financial and commodities markets, which recommendations focus primarily on suitable potential investments only to LGT CP Pfaeffikon in connection with LGT Funds advised by LGT CP Pfaeffikon and, accordingly, it does not select the custodial banks or broker-dealers who arrange for the execution services on behalf the LGT Funds, as the case may be. In addition, LGT CP New York does not recommend any particular broker-dealer or custodial bank.

Not all advisers require their clients to select their own custodial bank or brokers. By selecting its own custodial bank or broker-dealer, LGT CP Pfaeffikon or the LGT Funds may pay higher transactional costs and commissions than otherwise, and LGT CP New York cannot ensure that either will receive best execution.

As LGT CP New York principally provides research and consulting services, it currently does not have a policy with regard to the aggregation of client transactions.

## **Item 13 – Review of Accounts**

Investments recommended by LGT CP New York are continuously monitored and reviewed periodically to determine if the investments are meeting expectations. Triggering factors include general economic changes, market fluctuations and changes in client situation. A more thorough analysis is undertaken periodically to determine that the recommended investments are consistent with the investment objectives and restrictions of LGT Funds.

## **Item 14 – Client Referrals and Other Compensation**

LGT CP New York does not have any oral or written arrangements to receive cash or any economic benefit (including commission, equipment or non-research) from a non-client in connection with giving advice to clients. LGT CP New York does not have any arrangements to directly or indirectly compensate any person for client referrals. There are currently no client referrals or paid solicitation arrangements.

## **Item 15 – Custody**

LGT CP New York does not maintain custody of client assets. Custody of client assets would be the responsibility of qualified custodial banks and broker-dealers.

## **Item 16 – Investment Discretion**

The firm is deemed to have discretionary authority if it has the authority to decide which securities to purchase and sell for the client. The firm also has discretionary authority if it has the authority to decide which investment advisers to retain on behalf of the client.

As mentioned above, LGT CP New York provides advisory services to LGT CP Pfaeffikon with respect to certain assets advised by LGT Pfaeffikon. While LGT CP New York does not have the authority to execute purchase or sale transactions or to retain investment advisers, certain of LGT CP New York investment professionals participate in, and vote on, certain investment and allocation decisions during the Investment Committee meetings with LGT CP Pfaeffikon.

The investment discretion is exercised in a manner consistent with the advisory agreement between LGT CP New York and LGT CP Pfaeffikon and the stated investment objectives, policies and restrictions required by the client.

## **Item 17 – Voting Client Securities**

LGT CP New York will not be responsible for voting the proxies related to any investments recommended by LGT CP New York. If LGT CP New York were to acquire the right to vote proxies with respect to any investments it recommended on behalf of LGT CP Pfaeffikon or any LGT Fund, as the case may be, LGT CP New York would exercise such voting authority in accordance with established policies and procedures set forth in LGT CP New York's compliance manual. If LGT CP New York were to acquire the right to vote proxies, the adopted policies and procedures are reasonably designed to result in proxies being voted in the best interest of its client, and in accordance with its fiduciary duties and applicable regulations. Generally, LGT CP New York would vote proxies so as to promote the long-term economic value of the recommended investment. Each proxy proposal would be considered on its own merits, and an independent determination would be made whether to support or oppose management's position.

If a client has not delegated the power to vote proxies to LGT CP New York, that client may direct LGT CP New York to vote in a particular manner at any time upon written notice to LGT CP New York. In those circumstances, LGT CP New York would comply with specific client directions to vote proxies.

If LGT CP New York were to exercise voting authority with respect to its client, the client may at any time make a – written or oral – request for information on how LGT CP New York would vote proxies on his or her behalf. LGT CP New York would make and retain:

- A copy of each proxy statement or similar document that LGT CP New York receives;
- A record of each vote cast by LGT CP New York on behalf of the client;
- A copy of any document created by LGT CP New York that was material to making a decision on how to vote proxies on behalf of a client;

- A copy of each written client request for information on how LGT CP New York voted proxies on behalf of the client and a copy of any written response by LGT CP New York to any (written or oral) client request for information.

Any client may obtain a copy of LGT CP New York's proxy voting policies and procedures upon request.

### **Item 18 – Financial Information**

LGT CP New York does not require or solicit prepayment of \$1,200 or more in fees per client, six months or more in advance and therefore has not included a balance sheet.

Registered investment advisers are required to provide you with certain disclosures about the adviser's financial condition. At this time, LGT CP New York has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.