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This brochure provides information about the qualification and business practices of QIC US Investment Services Inc ("QIC US"). If you have any questions about the contents of this brochure, please contact David Clarke at + 61 7 3020 7069 or via e-mail at d.clarke@qic.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about QIC US is also available on the SEC's website at www.advisorinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT QIC US OR ANY OF THE PRINCIPALS OR EMPLOYEES OF QIC US POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.



Material Changes

This brochure dated September 20, 2013 serves as an update to the brochure dated April 29, 2013. There have been no material updates made from the previous version.

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1. Advisory Business

QIC US Investment Services Inc (“QIC US”) is an investment advisory firm founded in 2012. QIC US is organized as a Delaware corporation. Its principal place of business is located in Los Angeles, California. QIC US is a wholly-owned, indirect, subsidiary of QIC Limited (“QIC”), a government-owned corporation of the State of Queensland in Australia. QIC commenced operations in 1989 and was formally established in 1991 under the Queensland Investment Corporation Act 1991.

QIC and various investment advisory subsidiaries affiliated with QIC (collectively, the “QIC Group”) operates as a fully commercial investment advisory organization, charging fees for investment advisory services and paying a dividend to the Queensland government. QIC is headquartered in Brisbane, Australia, and is registered under the Australian Corporations Act 2001 as a public company with the Australian Securities & Investment Commission. The QIC Group is one of the largest investment managers in Australia with more than US \$64.2 billion in assets under management as of June 30, 2013 and over 500 employees located in offices across the globe, including Brisbane, Sydney, Melbourne, Los Angeles, San Francisco, London and Copenhagen.

QIC is a leading provider of dynamic investment solutions for institutional investors. The QIC Group provides discretionary and non-discretionary investment advisory services to a wide range of institutional clients, including Australian superannuation funds and other pension and profit sharing plans, sovereign wealth funds, charitable organizations and various collective investment vehicles offered primarily to institutional investors.

The QIC Group’s investment operations are organized into investment teams. QIC US will provide non-discretionary sub-advisory services (and trade execution services in certain instances) in respect to various investment strategies offered by QIC’s investment teams, including:

- global real estate investments;
- global fixed income investments;
- global infrastructure investments;
- global multi-asset class; and
- global private equity investments;

Each of these investment strategies is described in greater detail below under “*Methods of Analysis, Investment Strategies and Risk of Loss*”. As at June 30, 2013, QIC US has regulatory assets under management of approximately US\$635 million, all of which is managed on a non-discretionary basis.

2. Fees and Compensation

The fees QIC US expects to charge with respect to the sub-advisory and trade execution services it provides to the QIC Group investment teams will typically be calculated on a “cost



plus” basis. Such fees will typically be paid quarterly in arrears based upon the costs incurred by QIC US in connection with providing such services to the QIC Group plus 10%. However, QIC US will consider other methods of payment and/or fee calculation upon request.

With respect to a client account, QIC US will be compensated directly by the QIC Group out of the QIC Group’s own revenues. As a result, clients will pay a single advisory fee to the QIC Group and will not be responsible for paying any additional fees directly to QIC US.

In addition to the advisory fees payable to the QIC Group, clients will also be responsible for all costs and expenses incurred in connection with the investments in their accounts, including, but not limited to, brokerage commissions; clearing fees; fees, interest and other costs in connection with margin accounts or other borrowings; borrowing charges on securities sold short; custodial fees; bank service fees; and costs of research and data services. In addition, any collective investment vehicles managed by the QIC Group, will also pay all of their operating costs, including administrative, legal, accounting, auditing and insurance costs and expenses, as described in greater detail in the governing documents and offering materials for such collective investment vehicles. See “Brokerage Practices” below for additional information about brokerage costs that may be incurred by clients.

Neither QIC US nor its supervised persons will receive any compensation with respect to the purchase or sale of securities or other investment products by any client.

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

With respect to a client account, the QIC Group may receive a performance-based fee as well as a management fee. The performance-based fee will be calculated on the investment performance of the client account, as described in the applicable governing documents and agreements relating to such client account. Performance fees, if applicable, will typically be invoiced at the end of each fiscal year or upon full redemption of capital by a client, subject to “high water mark” loss carry-forward provisions. Any performance fees charged to U.S. clients will be structured to comply with the requirements of Section 205 of the Advisers Act and applicable rules thereunder.

A performance fee arrangement may create an incentive for QIC US and/or the applicable QIC Group investment team to select and make investments that are riskier or more speculative than would be the case in the absence of a performance fee. In addition, QIC US and/or the applicable QIC Group investment team may receive performance-based compensation with regard to unrealized as well as realized gains in a client account, and there can be no assurance that the unrealized gains will actually be realized at the values on which the performance fee is calculated.

Client accounts may be subject to different performance-based compensation arrangements. If the applicable QIC Group investment team is entitled to receive a higher performance fee with respect to the account of one client than that of another client, QIC US and/or the applicable QIC Group investment team may have an incentive to favor, or allocate certain riskier or more speculative investments to, the client account that bears a higher performance fee.



To mitigate potential conflicts of interests arising from the allocation of limited investment opportunities to client accounts with differing fee arrangements, allocation determinations will be made in accordance with QIC US's investment allocation policy, as described under the subsection entitled “*Allocation of Investment Opportunities*” under “*Brokerage Practices*” below.

4. Types of Clients

As noted above, QIC US will provide non-discretionary sub-advisory services, and trade execution services in certain instances, to the various investment teams within the QIC Group on behalf of the QIC Group's clients. The QIC Group provides discretionary and non-discretionary investment advisory services to a wide range of institutional clients, including Australian superannuation funds and other pension and profit sharing plans, sovereign wealth funds, charitable organizations and various collective investment vehicles offered primarily to institutional investors.

In general, the QIC Group will not provide advisory services to separately-managed accounts, or groups of related separately-managed accounts, that have initial asset values of less than \$25 million, unless the QIC Group expects contributions to the account(s) in the future. The QIC Group may, in the future, set a higher or lower minimum account size depending upon circumstances it considers relevant. The QIC Group also reserves the right to waive these minimum account size requirements on a case-by-case basis in its sole discretion.

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

As described above, the QIC Group's investment operations are organized into separate investment teams. QIC US will provide non-discretionary sub-advisory services (and trade execution services in certain instances) in respect to various investment strategies offered by QIC's investment teams. The investment strategies currently offered by the QIC Group's investment teams that QIC US expects to support are: (i) global real estate investments, (ii) global fixed income investments, (iii) global infrastructure investments, (iv) global multi-asset class portfolio strategies and strategic investment solutions, and (v) global private equity investments.

Detailed descriptions of each investment strategy offered by the QIC Group's investment teams, as well as the methods of investment analysis and material investment risks associated with each such investment strategy, are provided below.

Global Real Estate – Methods of Analysis and Risk Factors

The core objective of the QIC Group's global real estate strategy is to source, operate and develop a portfolio of high quality real estate investments within a specified risk tolerance. The



QIC Group expects to focus on regional shopping malls but may also develop a portfolio of other property types, including office, warehouse, multi-family and other real estate classes.

The QIC Group's Global Real Estate investment team ("GRE") seeks to maintain strategic control over assets and will look to transact and actively manage assets through a vertically integrated operating and investment platform. GRE undertakes key functions in-house, including asset management, property leasing, finance and development. Non-strategic functions such as design, project management and construction are tendered out. This approach provides greater control in management and project delivery and leads to more effective risk management. GRE may also invest with local operators through joint ventures.

GRE will typically look to acquire properties that are located in markets that possess certain characteristics. These characteristics include:

- *Scarcity*: Markets that have barriers to entry for additional supply or competition through limited land availability and / or tight planning constraints;
- *Diversity*: Markets that possess a broader and sustainable economic base to ensure greater stability through economic cycles;
- *Demographic*: Sustained population growth, population density and / or income drivers;
- *Strategic drivers*: Growth corridors with favorable demographics or prominent central business districts that are supported by good transport and social infrastructure;
- *Dominance*: Dominant within their respective trade areas or have the ability to increase market share through development or active management;
- *Stable income stream*: Offer a stable and predictable income stream and identifiable risk characteristics;
- *Value-add opportunities*: Respond positively to active management and / or offer on-going expansion and development or redevelopment opportunities; and
- *Control*: Targets ownership interests that provide an appropriate level of control over the strategic direction of the asset.

Risk Factors

Nature of Real Estate Investments; Risk of Loss. All real estate investments are subject to risk. Most real estate assets have unique locational and market characteristics, which could make them illiquid or appealing only to a narrow group of investors. Investing in real estate offers the opportunity for capital gains but also involves a risk of loss that prospective clients should be prepared to bear. Real estate returns may be unpredictable and, accordingly, it may not be suitable as the sole investment for a prospective client. No assurances can be given that the fair market value of any real estate investments to be held by GRE will not decrease in the future or that GRE will recognise full value for any property that GRE is required to sell for liquidity reasons. A prospective investor should only invest with the QIC Group's real estate strategy as part of an overall investment strategy and only if the investor is able to withstand the total illiquidity, or loss of its investment. Prospective clients should carefully consider, among other factors, the following material risks associated with the QIC Group's real estate strategy.

Interest Rate Risk. The valuations of real estate portfolios can be sensitive to interest rate fluctuations. Movements in the level of interest rates may affect the returns from these assets

more significantly than investments in other types of assets. In particular, the type of debt, maturity profile, interest rates and covenants in place could affect the timing and magnitude of client returns. GRE may enter into interest rate swap agreements or pursue other hedging strategies depending on the level and volatility of interest rates, the type of portfolio investments held, and other changing market conditions. Hedging against interest rate exposures may adversely affect earnings.

Joint Venture Risks. GRE may invest in investments with, or in third-party owned or managed investments. It is expected that appropriate rights will be negotiated to protect client interests, as GRE may not have control over these investments. This style of investment is subject to risks, including the possibility of third-party insolvency or the third-party may have economic or business interests or objectives which are inconsistent with those of GRE, or they may be in a position to take action contrary to the GRE's investment objectives.

Environmental Liabilities. Under various federal, state and local environmental laws and regulations, a current or previous owner or operator of real property may be required to investigate and clean up hazardous or toxic substances or petroleum product releases or threats of releases at such property. Such parties may also be held liable to a government entity or to third parties for property damage and for investigation, clean up and monitoring costs incurred by such parties in connection with the actual or threatened contamination. Such laws typically impose cleanup responsibility and liability without regard to fault, or whether the owner or operator knew of or caused the presence of the contamination.

General Real Estate Risks:

- Changes in the competitive environment which may affect the performance of real estate assets, associated properties and their tenants;
- Changes in the rental or occupancy levels of real estate assets and associated properties;
- Changes in tenant circumstances that may result in tenant default;
- The value and liquidity of real estate assets may fluctuate with market conditions;
- Changes in statutory laws which may affect real estate assets;
- Unexpected capital expenditure of a significant nature which may affect capital and debt requirements;
- Changes in zoning, government policy or permitted use;
- The emergence or development of competing properties; and
- Due to any combination of the above factors, the targeted outcome of future developments not being achieved.

General Risk Factors:

- General economic conditions may change such as inflation, inflationary expectations, unemployment and general movements in wages and salaries;
- Movements in local and international property and share markets;

- Adverse movement in exchange rates that may reduce the dollar value of investments and deposits in a foreign currency;
- Use of leverage allows for magnified exposures and as a direct consequence magnified risks and/or potential losses;
- Changes in the insurance and re-insurance markets, including the possibility of unavailability of cover in the event of terrorism acts;
- Government policy changes or statutory changes including applicable accounting standards;
- Taxation law (including stamp duty law) may change; and
- Reliance on third parties for appraisals, environmental and engineering expertise.

Global Fixed Income – Methods of Analysis and Risk Factors

The core objective and focus of the QIC Group's global fixed income strategies which include benchmark-driven strategies, tailored beta strategies and alpha strategies, is to deliver attractive and consistent risk-adjusted returns to clients.

The investment process developed by the QIC Group's Global Fixed Interest investment team ("GFI") is utilized across all cash and fixed income portfolios. This investment process features a disciplined approach to incorporating both fundamental research and GFI's assessment of transitory factors in major markets. GFI has a rigorous, repeatable and disciplined process for identifying opportunities and whole-of-fund investment management. The GFI team applies a focused, independent research process, which is reflected through a disciplined "scorecard" approach. Analysis is also enhanced by consulting with leading strategists and by researching economic and political events. The multiple steps of the investment process are summarized below.

Step 1. Research. Research is the cornerstone for managing money and supports all positions implemented across portfolios. Our top down research is split by geography and markets, most notably interest rate, inflation and credit markets.

Our research is grounded in determining fair values for the financial assets we are mandated to invest. This provides an assessment of the outlook and identifies markets that are trading at premiums and discounts.

Furthermore we recognise there are other factors – namely, 'transitorities' and 'technicals' that can drive investment markets from fair value in the short run. Our research is focused on taking advantage of these market opportunities in the best risk adjusted method.

The key components covered in the research process include:

- *Interest rates* – The objective of interest rate research is to enable GFI to determine the relative country positions, duration exposures and yield curve positions. GFI develops its interest rate views by analyzing global and domestic economic cycles and events, underpinned by fundamental econometric fair-value estimates.
- *Credit research* – The objective of credit research is to determine the credit allocation, industry allocation, and individual corporate security selection for a portfolio, as well as to manage a portfolio's overall credit risk.

- *Inflation research* – The objective of inflation research is to enable positions to be taken according to explicit views on real yields, inflation outlooks, risk premiums and global breakeven markets. GFI assesses relative value and breakeven yield curve for alpha opportunities, consistent with its fundamental macro views.

Step 2. Scorecards. In a world of ever increasing information flows, timely filtering and data processing is crucial to ensure that the most relevant influences are captured in the process at any point in time. The scorecard is the discipline in this process, synthesising all the research into a clear and transparent report that translates directly into portfolio construction. It collates and quantifies economic and fundamental research to generate a view on expected changes in interest rates, inflation and the credit outlook, and combines valuation signals as well as transitory influences that drive markets away from fair value in the short term.

Scorecards have four major components:

- A fundamental score – this is derived from the valuations from our proprietary bond models.
- A carry score – the cost/benefit of holding a short/long position in the trade.
- A transitory score – qualitative judgement of other factors (central bank rhetoric, data announcements) which can also cause markets to move away from fair value).
- A technical score – based on technical trading rules such as momentum and stochastics.

Scores range between +5 and -5, with a higher score meaning a higher bond price for the security. Thus a '+5' in a rates card would mean a decrease in bond yields and a '+5' in a credit card would mean a rally in credit spreads. In inflation, a '+5' would mean breakeven inflation (BEI) expectations are forecast to rise.

Step 3. Portfolio Construction. Portfolio construction is crucial to the investment process. Once the determined strategies are implemented, GFI monitors, evaluates and reconciles the client account's performance. There are three steps in the portfolio construction process that determine position sizes:

- (i) Research: strength of view as measured by the scorecard;
- (ii) Trade recommendation: all strategies to be implemented require a detailed trade recommendation that also measures expected return target, volatility and horizon analysis; and
- (iii) Position sizes: measured by contribution to portfolio risk, correlation to other portfolio strategies and contribution to performance targets.

The research process, trade recommendations and portfolio construction process provide the forum to discuss and monitor these considerations for potential and existing trades.

Risk Factors

In general, the more volatile credit markets are, the greater the risk that returns will not meet client expectations and/or a particular investment will realize a capital loss. GFI seeks to reduce risk inherent in fixed income investments by diversifying across a range of fixed income securities, a spread of maturities and across a wide spread of derivative counterparties. Investing in fixed income securities offers the opportunity for capital gains but also involves a

risk of loss that clients should be prepared to bear. Prospective clients should carefully consider, among other factors, the following material risks associated with the fixed income strategy.

- Interest Rate Risk. Interest rate risk refers to the volatility of a security's return owing to the fluctuation of interest rates. When interest rates rise, the market value of fixed income securities decline and vice versa.
- Inflation Risk. Inflation risk refers to the risk an investor faces of losing the purchasing power of capital invested. Although the nominal value invested may remain, positive inflation will progressively reduce its value relative to what can be purchased by each dollar over time.
- Liquidity Risk. Liquidity refers to the ability of an investment to be easily and quickly converted into cash with little or no loss of capital value. If GFI is required to sell illiquid investments on behalf of a client account (e.g. due to a redemption request or a change in investment strategy), GFI may need to realize that investment at a sale price lower than what could have been achieved had a longer sale period been allowed.
- Counterparty (Credit) Risk. Counterparty risk, also known as credit risk, is the likelihood of suffering loss owing to another party defaulting on its financial obligations.
- Currency Risk. Currency risk is the potential for adverse movements in exchange rates to reduce the dollar value of investments and deposits held in a foreign currency.
- Derivative Risk. As derivatives derive their value from the returns obtained on another reference entity, they are subject to the same risks as the reference entity upon which the derivative is valued (derived). In addition to the risks of the underpinning investments, derivatives are subject to:
 - Liquidity risk: this is the likelihood that the derivative may not be able to be quickly bought or sold without causing a significant movement in the price;
 - Counterparty risk: this is the likelihood that the counterparty to the derivative contract is unable to meet its financial obligations; and
 - Leverage risk: allows for magnified exposures and as a direct consequence magnified risks and/or potential losses. A portfolio would be considered leveraged if the level of market exposure exceeds the market value of the portfolio.

Global Infrastructure – Methods of Analysis and Risk Factors

The core objective and focus of the global infrastructure strategy is to construct and manage, on behalf of clients, a diversified global portfolio of primarily direct infrastructure investments across a range of sectors, including transport, utilities and telecommunications.

The QIC Group's Global Infrastructure investment team ("GI") analyses and selects high quality infrastructure assets based on their ability to deliver to strict risk/return criteria, rather than simply seeking diversification by sector and geography.



The global infrastructure analytic investment process is rigorous, but sufficiently flexible to enable the QIC Group to take advantage of opportunities arising through the GI team's relationships and networks. The stages of the analytic investment process are as follows:

Stage 1

- Identification/origination of investment opportunities.
- Preparation of a summary description of investment opportunities incorporating preliminary lifecycle classification and project modeling.
- Preliminary review and discussion of investment opportunities at weekly meetings of GI team members so as to reach a consensus on whether to undertake further analysis with respect to potential investment opportunities. The deal team seeks the views of all investment team members. Potential investment opportunities will be evaluated based on: (i) client portfolio fit (taking into account applicable investment restrictions), (ii) nature and characteristics of investment opportunities including attractiveness/alignment with potential partners (if any), (iii) macro themes, (iv) risk and return profile and (v) process, timing and likelihood of success.

Stage 2

- Undertake further investment analysis culminating in the preparation of concept papers discussing the rationale for potential investments.
- Review and discussion of investment rationale concept papers by the GI investment committee.

Stage 3

- Undertake detailed due diligence upon the investment committee's approval of investment rationale concept papers.
- Negotiation of commercial agreements (including financing agreements and operator arrangements).
- Preparation of final investment analysis for presentation to the investment committee.

Stage 4

- Complete due diligence upon receipt of the investment committee's final approval of proposed investments and complete investments.

Stage 5

- Ongoing monitoring and management of investments to periodically assess value and risks.
- Consider and implement exit from investments based on client liquidity and portfolio needs.

Risk Factors

Nature of Infrastructure Investments; Risk of Loss. Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Most infrastructure assets are less liquid and involve a longer

holding period than traditional private equity investments. There is no readily available market for most infrastructure investments made by GI, and the disposal of investments may require a lengthy time period. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Political and regulatory considerations and popular sentiments could also affect the GI's ability to buy or sell investments on favorable terms. Infrastructure assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. This would affect the profitability of the infrastructure assets. Infrastructure projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. The insolvency of the lead contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure investment project. Investing in infrastructure assets offers the opportunity for significant capital gains but also involves a substantial risk of loss that clients should be prepared to bear. Prospective clients should carefully consider, among other factors, the following material risks associated with GI's infrastructure strategy.

Operating and Technical Risk. The long-term profitability of infrastructure assets, once they are constructed, is partly dependent upon the efficient operation and maintenance of the assets and companies. Inefficient operation and maintenance may reduce the profitability of a client's investment, adversely affecting the client's financial returns. Investments in infrastructure assets may be subject to operating and technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications, labor strikes, labor disputes, work stoppages and other work interruptions, and other unanticipated events which adversely affect operations. While GI will, where possible, seek investments in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations. An operating failure may lead to loss of a license, concession or contract on which a portfolio investment is dependent. In addition, despite proper operation and maintenance, an infrastructure investment may be vulnerable to a *force majeure* event, and the damage caused by such an event may adversely affect a party's ability to perform its obligations until it is able to remedy the damage. For example, certain infrastructure investments may be located in earthquake zones or be subject to risks associated with adverse weather conditions, natural disasters (such as fire, hurricanes, tornadoes, tsunamis, typhoons, windstorms, volcanic eruptions or floods), man-made disasters, changes in law, eminent domain, war, riots, terrorist attacks, labor disputes and other unforeseen circumstances and incidents.

Environmental Risk. Infrastructure assets may be subject to numerous statutes, rules and regulations relating to environmental protection. Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants. Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for noncompliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability, whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury or property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was

owned or operated by that person. These liabilities may exceed the value of the infrastructure asset at issue and may result in claims against the owner that may result in the loss of other assets of the owner.

Inflation and Interest Rate Risk. Inflation may adversely affect GI's infrastructure investments. Inflationary expectations or periods of rising inflation could be accompanied by the rising prices of commodities which are critical to the operation of infrastructure assets. Infrastructure assets may be highly leveraged. As such, movements in the level of interest rates may affect the returns from these assets more significantly than investments in other types of assets. In particular, the type of debt, maturity profile, interest rates and covenants in place (including the manner in which they affect returns to equity holders) could affect the timing and magnitude of client returns.

Global Multi-Asset– Methods of Analysis and Risk Factors

The core objective of the Global Multi-Asset investment team ("GMA") is to offer practical investment solutions to clients across a wide range of asset classes (including global equities, global fixed income, global diversified alternatives, global real estate, global infrastructure, global private equity and global currency), as well as strategic solutions at the whole-of-portfolio level, as well as implementation services such as currency management.

The management of multi-asset class products involves rigorous research, modeling, scenario analysis, prudent investment governance and execution. GMA uses a proprietary qualitative and quantitative process. The various steps of the investment process are outlined below:

Clarify Client's Investment Objectives: GMA works closely with the client to determine the client's specific investment objectives and develop an appropriate investment scorecard. GMA's proprietary investment scorecard methodology is fully integrated with its proprietary quantitative model (see below) which enables effective measurement of expected returns and risks against a client's investment objectives, taking into consideration any investment constraints or restrictions. The scorecard system allows for scenario testing of various portfolio tradeoffs against the client's prioritized investment objectives. The investment process is focused on meeting these objectives while working within the permitted investment scope.

Research: Research is the foundation of GMA's asset allocation framework. The research program extends across portfolio construction and risk management techniques, new and evolving asset classes and sub-asset classes, and economics. Research priorities and developments are reviewed and debated monthly, with findings integrated into the portfolio construction and management processes. Research is undertaken to identify persistent risk premiums in the markets and to determine strategies which aim to provide optimal return per unit of risk (with risk measured as an absolute and its contribution to portfolio risk, not relative to a nominated benchmark).

Portfolio Construction: GMA's asset allocation framework is underpinned by its proprietary quantitative model. The model integrates economic inputs and forecasts into asset class return forecasts and stochastic risk metrics. Portfolio managers provide qualitative input into opportunities and risks. Potential portfolios are assessed against client investment scorecards

and scenario and stress testing occurs to ensure portfolios are robust in different economic and market environments.

Dynamic Asset Allocation: As market pricing moves and the economic environment unfolds, expected return forecasts generated through the quantitative modeling and portfolio construction process alter. GMA adopts a dynamic asset allocation process to implement adjustments to asset class exposures to increase the likelihood of achieving expected outcomes relative to the client's investment scorecard. Markets will be monitored daily and opportunities to manage risk or enhance returns will be evaluated and executed where appropriate (within agreed ranges).

Mandate Design and Implementation: Once a portfolio is determined, asset class exposures are implemented after analyzing the various implementation strategies available for accessing the desired risk premiums and determining the most efficient execution strategy. This includes consideration across physical and synthetic opportunities, various managers, and associated risks, costs and taxation considerations. Performance and risk is typically monitored and evaluated daily.

Whole-of-Portfolio Management: A process-driven approach incorporating data and information processes, portfolio management, trade execution and liquidity management. Strategic value is sought for clients' portfolios when implementing asset allocation and strategic currency decisions, rebalancing, monitoring derivative and counterparty positions, and managing capital and liquidity requirements.

Risk Factors

Aggregate risks including liquidity, counterparty and asset class rebalancing are actively managed. As noted above, GMA dynamically allocates across asset and sub-asset classes as the balance of risks associated with the various asset and sub-asset classes to which a client account has exposure to shifts throughout the economic cycle. Risk is further managed through diversification within sub-asset classes and by setting exposure limits to individual sub-asset classes.

Investing in a multi-asset class portfolio offers the opportunity for capital gains but also involves a risk of loss that clients should be prepared to bear. Prospective clients should carefully consider, among other factors, the following material risks associated with a multi-asset class portfolio strategy:

- Market/Asset Risk: Market/asset risk is the risk associated with adverse movements in the prices of securities, assets and instruments in which the Funds invest. This may either be caused by security-specific factors or broader market factors such as changes in economic, technological, political or legal conditions, and even changes in market sentiment. The impact of market/asset risk is dependent on the investment timeframe.
- Investment Process Risk: Investment process risk refers to the risk that the proprietary qualitative and quantitative process allocates investments sub-optimally. The risk will manifest as market/asset risk.

- Liquidity Risk: Liquidity refers to the ability of an investment to be easily and quickly converted into cash with little or no loss of capital value. It includes the risk of failing to meet contingent calls on capital. If GMA is required to sell illiquid investments, (e.g. due to a redemption request, payments under derivatives contracts or a change in investment strategy), GMA may need to realize that investment at a sale price that is lower than what could have been achieved if a longer sale period had been allowed.
- Counterparty Risk: Counterparty risk, also known as credit risk, is the likelihood of suffering loss due to another party defaulting on its financial obligations.
- Currency Risk: Currency risk is the risk that adverse movements in exchange rates will reduce the dollar value of investments and deposits held in a foreign currency.
- Derivative Risk: Derivatives derive their value from the returns obtained from another reference entity. They are, therefore, subject to the same risks as the reference entity upon which the derivative is valued. As well as the risks of the underpinning investments, derivatives are subject to:
 - Liquidity risk: this is the likelihood that the derivative may not be able to be quickly bought or sold without causing a significant movement in the price;
 - Counterparty risk: this is the likelihood that the counterparty to the derivative contract is unable to meet its obligations; and
 - Leverage risk: allows for magnified exposures and as a direct consequence magnified risks and/or potential losses. A portfolio would be considered leveraged if the level of market exposure exceeds the market value of the portfolio.
- Manager Risk: GMA may engage other investment managers to invest a client's assets. The returns are therefore reliant on each manager's process to capture the risk premia of the markets in which it invests. There is a risk that the investment advisers employed will not achieve their specified performance objective, will exceed their agreed levels of risk, or will underperform other investment advisers.
- Operational Risk: The risk of loss or damage resulting from inadequate or failed internal processes, people and systems or from external events. This includes the risk of trade execution errors.

Global Private Equity – Methods of Analysis and Risk Factors

The core objective of the global private equity strategy is to research and provide advice with respect to investments in top tier buyout, growth, venture capital and other funds managed by unaffiliated managers domiciled in the U.S. and across the globe who will deliver attractive long-term returns to clients on a risk-adjusted basis. In the case of opportunistic and distressed investments, the QIC Group's Global Private Equity investment team ("GPE") researches and provides advice with respect to direct investments in buyout, growth and venture capital portfolio companies. In connection with formulating its investment advice, GPE will consider clients' asset/liability, currency, risk appetite, management expense ratio and tax characteristics. On behalf of its clients, GPE may also co-invest in later stage companies alongside its managers.

GPE uses both top-down and bottom-up analyses in the portfolio construction process. The bottom-up process may, as applicable, identify the relevant strengths and weaknesses of each



fund manager and/or evaluate the portfolio companies managed by such manager, while the top-down process may, as applicable, evaluate the manager's or investment's fit within the relevant target allocations and portfolio construction. GPE has developed a series of criteria to evaluate potential managers, including the experience of the management team, deal sourcing strategy, due diligence process, evidence of value creation, terms and conditions that align its interests with its investors' interests, and professional and ethical behavior, among other criteria. GPE may also apply top-down target stage allocations to diversify the portfolio and manage risk, based on a number of factors, including, macroeconomic outlook, strength of the financial markets, merger and acquisition activity, deal flow in the underlying private equity market, and state of the private equity fundraising market, among other factors.

In evaluating investment opportunities, GPE takes a qualitative and quantitative approach. Qualitative reviews may include, for example, onsite manager visits, reference calling and peer group comparison and review. Quantitative reviews include a systematic analysis of a fund manager's track record and/or if applicable, a cash flow model projecting the likely timing and value of the sale of underlying portfolio companies.

Risk Factors

Nature of Private Equity Investments; Risk of Loss. Private equity investments are highly illiquid and their dispositions may require a lengthy period of time or may result in in-kind distributions of illiquid securities to investors. Prices of private equity investments may be volatile and highly uncertain to determine with accuracy. A variety of other factors, that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly impact the value of such investments. Investing in private equity funds and portfolio companies offer the opportunity for significant capital gains but also involve a substantial risk of loss that clients should be prepared to bear. Prospective clients should carefully consider, among other factors, the following material risks associated with the QIC Group's private equity strategy.

Long-term and Restricted Investments. GPE makes long-term investments for which a liquid market does not exist and/or are subject to legal or other restrictions on transfer. The market prices of such investments tend to be volatile and GPE may not be able to sell such investments when desired, or, upon sale, to realize what GPE perceives to be their fair value. Moreover, clients' investments may be subject to restrictions on resale for various reasons including that they were acquired in a "private placement" transaction.

Reliance on Other Management. GPE relies on the capabilities of the management teams of the private equity funds and portfolio companies clients invest in and GPE will generally not be able to participate in the management and control of such private equity funds or portfolio companies. Although GPE will monitor the performance of such private equity funds and portfolio companies, there can be no assurance that the respective management teams of such funds and portfolio companies will be able to operate such entities in accordance with GPE's or its clients' expectations. Additionally, GPE generally will not be able to control the amount or timing of distributions from such private equity funds and portfolio companies, which may affect clients' returns.

Competitive Market for Investment Opportunities. The task of identifying private equity investment opportunities is difficult and highly competitive. There can be no assurance that GPE will be able to select investments that will be able to generate positive returns for clients. The availability of investment opportunities will be subject to market conditions as well as, in some



cases, the prevailing political or regulatory climate. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable GPE to select investment opportunities that satisfy clients' investment objectives.

6. Disciplinary Information

QIC US and its principals have not been subject to any legal or disciplinary events that are material to a client's or prospective client's evaluation of QIC US's advisory business or the integrity of QIC US's management.

7. Other Financial Industry Activities and Affiliations

As noted above, QIC US is a wholly owned subsidiary of QIC and a part of the QIC Group. QIC US will provide non-discretionary sub-advisory services (and trade execution services in certain instances) in respect to various investment strategies offered by QIC's investment teams.

In keeping with this business model, QIC US has entered into a series of intra-company agreements with other members of the QIC Group. Among other things, these include (i) sub-advisory agreements under which QIC US will provide non-discretionary sub-advisory services, research and trade execution services to the QIC Group in support of its investment management activities, (ii) secondment (or "dual hatting") agreements under which the QIC Group will provide QIC US with the personnel necessary for it to carry out its business operations, and (iii) general services agreements under which the QIC Group will provide certain administrative and other corporate services necessary for QIC US to carry out its business operations.

Neither QIC US nor its management persons are registered, or have an application to register, as a broker dealer, futures commission merchant, commodity pool operator, commodity trading adviser, or a registered representative or associated person of the foregoing entities.

QIC US may recommend and select other investment advisers for its clients, but will not receive compensation either directly or indirectly from such advisers. QIC US does not have other business relationships with other investment advisers that would create a material conflict of interest.

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

QIC US and its directors, officers and certain representatives (collectively, "QIC US Personnel") may, under certain circumstances, own, purchase or sell securities that are also held by, purchased for, or sold on behalf of client accounts.



However, QIC US Personnel generally are prohibited from buying or selling any security of an issuer for their own accounts from the time the QIC Group has made a decision to purchase or sell a security of such issuer for one or more client accounts until the QIC Group has completed such purchase or sale for a client account.

QIC US has adopted a Code of Ethics (“Code”) that is designed to comply with Rule 204A-1 under the Advisers Act. The Code sets forth standards of conduct and requires compliance by all QIC US supervised persons. The Code governs, among other things, the personal securities transactions of QIC US’s supervised persons.

Under the Code, all supervised persons have a duty to act only in the best interests of client accounts and potential conflicts and violations of the Code must be reported to QIC US’s chief compliance officer. It is the expressed policy of QIC US that no person employed by QIC US shall prefer his or her own interest to that of a client account or make personal investment decisions based on investment decisions undertaken on behalf of client accounts.

The Code requires supervised persons to conduct personal securities transactions in a manner that does not interfere with transactions on behalf of QIC US’s clients and does not take inappropriate advantage of their positions and access to information that comes with such positions. The Code requires pre-approval of personal securities transactions. In particular, QIC US Personnel must receive pre-approval before purchasing securities in a private placement or pursuant to an initial public offering. The Code imposes specific prohibitions on employee trades including (i) trades based on material non-public information; (ii) trades intended to manipulate the market; and (iii) trades based on knowledge of QIC US’s trading intentions.

The Code requires reports of personal securities transactions (which generally are in the form of duplicate confirmations and brokerage account statements) to be filed with QIC US’s compliance department quarterly or more frequently. Those reports are reviewed for conflicts, or potential conflicts, with client transactions. Certain securities are exempt from the reporting requirements of the Code, including U.S. government securities, shares in money market funds and unit investment trusts that are invested exclusively in mutual funds. In addition, the Code also contains provisions related to the making, receipt and reporting of gifts and business entertainment.

As part of its Code, QIC US has established an insider trading prohibition program that includes specific requirements regarding possession of material non-public information (“MNI”) in order to avoid situations which may violate applicable statutes or regulations or create the appearance of impropriety. QIC US’s insider trading prohibition program strictly forbids any supervised person from conducting trading either personally or on behalf of others, including clients of QIC US, while in possession of MNI or communicating MNI to others.

QIC US will provide a copy of the Code to any client or potential client upon request or as required by applicable law. Please contact the QIC US’s compliance department at + 61 7 3020 7069 or email a request to corporaterisk@qic.com.

QIC US and its related persons may have indirect beneficial interests in the securities owned by one or more collective investment vehicles or other client accounts and will share in any profits and losses generated by such investments. Moreover, in certain situations, related persons of QIC US may purchase interests in the same investments held by one or more collective



investment vehicles or other client accounts. All such transactions are subject to compliance with the Code.

From time to time, certain employees of QIC US may serve on the board of directors or certain other boards or committee (e.g. advisory boards, board of trustees, etc.) of other entities.

9. Brokerage Practices

A. Investment or Brokerage Discretion

QIC US is responsible for the placement of the portfolio transactions (i.e. securities and derivatives) for its clients and the negotiation of any commissions paid on such transactions. Purchases of portfolio instruments through brokers involve payment of a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the bid and the ask price. QIC US will not commit to provide any level of brokerage business to any broker and may utilize the services of one or more introducing brokers who will execute client brokerage transactions through the broker and custodian who will clear the client's transactions.

Securities transactions are primarily executed through brokers that are selected by QIC US. In placing portfolio transactions, QIC US will seek to obtain the "best execution" for a client taking into account a number of factors, including: the ability to effect prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected and the efficiency of error resolution; the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; willingness to execute related or unrelated difficult transactions in the future; the quality, comprehensiveness and frequency of available research and related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying QIC US's other selection criteria. QIC US is not required to weigh any of these factors equally. Since commission rates in the United States are negotiable, QIC US's selection of brokers on the basis of considerations which are not limited to applicable commission rates may at times result in a client being charged higher transaction costs than it could otherwise obtain.

B. Research Products and Services Received by QIC US

The term "soft dollars" refers to brokerage commissions generated from a client's securities transactions that are retained by the broker for the use of the adviser who directed the transactions to the broker. Soft dollars accumulated by the broker for QIC US's use may be used to pay for various products and services, including research and brokerage services. The availability of soft dollars from certain brokers presents investment managers with significant conflicts of interest, and may give incentives for investment managers to disregard their obligations to clients (including, without limitation, their best execution obligations) when directing orders.

Section 28(e) of the Exchange Act ("Section 28(e)") provides a "safe harbor" to those investment managers who use soft dollars to obtain investment research and brokerage services. In order to qualify for the safe harbor, the investment research must provide assistance to the investment manager in its performance of its investment decision-making



responsibilities. Brokerage services must relate to the execution of securities transactions in order to fall within the safe harbor provided by Section 28(e).

QIC US uses soft dollars generated by client securities transactions to pay for research, products and services that fall within the safe harbor, including economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, consultations, general reports, newswire and data charges and quotation services.

Products and services provided by broker-dealers with soft dollars may be utilized by QIC US and its affiliates in connection with the services provided to all of its clients. Likewise, products and services provided by broker-dealers with soft dollars generated by some clients may be utilized by QIC US in performing its services for other clients.

C. Brokerage for client referrals

QIC US does not consider, in selecting or recommending broker-dealers, whether QIC US or a related person receives client referrals from a broker-dealer or third party.

D. Allocation of Investment Opportunities

QIC US may at times determine that certain investments will be suitable for acquisition by a client and by other client accounts. If that occurs and QIC US is not able to acquire the desired aggregate amount of such investments on terms and conditions which QIC US deems advisable, QIC US will, in accordance with its investment allocation policy, endeavor to allocate in good faith the limited amount of such investments acquired among the various accounts for which QIC US considers them to be suitable.

QIC US may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including, but not limited to, allocations based on relative account sizes, liquidity needs of accounts, the degree of risk involved in the investments acquired, and the extent to which such investments are consistent with the investment objectives, strategies, guidelines and restrictions of the various accounts involved.

E. Aggregation of Orders

QIC US may aggregate purchase and sale orders of investments held by clients with similar orders being made simultaneously for other accounts or entities if, in QIC US's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to a client based on an evaluation that the client will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for a client will be effected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of investments purchased or sold. In such event, a fair price of all investments purchased or sold in such transactions may be determined, at QIC US's sole discretion, and the client may be charged or credited, as the case may be, with a fair transaction price.

F. Trade Processing

It is the policy of QIC US to allocate client transactions in a fair and equitable manner. Block trades are routinely pre-allocated to client accounts, generally pro rata, at the time order is entered. These allocations are modified manually from time to time to take into consideration a particular client's circumstances (e.g. portfolio weighting in security, sector, or cash) or restrictions. Final allocations are generally done at the time order is completed, but no later than the end of the day on which the transaction is completed.

QIC US may cause a client account to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another client account, provided that the cross transaction is consistent with QIC US's fiduciary obligations to each client account participating in the cross transaction.

In the event that QIC US identifies a trade in a client account that was effected in error (e.g. QIC US allocates a trade to a client account in a security that the client has specified should be excluded or restricted from the client's investment portfolio), QIC US will promptly cancel the erroneous trade in the client's account, the effect of which will result in no economic impact (positive or negative) in the client's account. The cancelled trade will then be reallocated to the appropriate client account(s).

10. Review of Accounts

Accounts are monitored on a continuous basis by the QIC investment team responsible for each strategy. QIC's investment teams are generally responsible for the accounts in their respective investment strategies. Each investment team will review the accounts to assure that a portfolio's structure and individual securities held are suitable and consistent with that account's investment objectives and strategies.

Compliance, trading and operations teams are also involved in this monitoring process to ensure that each client's portfolio is managed in accordance with its stated investment guidelines and restrictions. Where practicable, investment restrictions are coded into a monitoring system, which prevents transactions in specific securities that are restricted for QIC US, separately managed accounts, or collective investment vehicles. The system also monitors any potential breaches that may not be apparent during the pre-trade check on a post trade basis.

Clients will receive periodic statements, at least each quarter, but typically each month. QIC US or the primary adviser will also provide investors in a collective investment vehicle with written periodic reports (typically on a monthly basis) that contain information about the vehicle in which they have invested. The reports typically include estimated actual performance on a monthly, quarterly, year-to-date, and/or since inception basis. Investors in each collective investment vehicle may also request written annual reports that contain audited financial statements and tax information.

11. Client Referrals and Other Compensation

Except as described above under “Brokerage Practices” with respect to services paid for with soft dollars, QIC US does not receive economic benefits for providing investment advice or other advisory services to its clients from parties other than its clients.

A client account’s primary adviser (which is a related person of QIC US) may enter into fee sharing arrangements with third party marketers or solicitors who refer clients or collective investment vehicle investors to such primary adviser. Such third party marketers may have a conflict of interest in advising prospective clients whether to engage the primary adviser. Under the terms of the agreements with third party marketers or solicitors, the primary adviser will compensate such third party marketers or solicitors if persons introduced by them become investors in the primary adviser’s collective investment vehicles or engage the primary adviser to manage separately managed accounts. The third party marketer or solicitor is required to provide potential clients with disclosures related to the payment incentives such third party marketer or solicitor will receive from the primary adviser. All payments to third party marketers or solicitors for client referrals will be made in accordance with the provisions of Rule 206(4)-3 under the Advisers Act and any other laws to the extent applicable.

QIC US may recommend or select other investment advisers for its clients, but will not receive compensation either directly or indirectly from such advisers. QIC US does not have business relationships with other advisers that create a material conflict of interest.

12. Custody

As a non-discretionary sub-adviser to the QIC Group, QIC US will not have physical or constructive custody of its clients’ assets and will not have the authority to obtain client funds or securities under any circumstances. In particular, QIC US will not have the authority to deduct advisory fees from a client’s account or otherwise withdraw funds from a client’s account.

13. Investment Discretion

As a sub-adviser to QIC’s investment teams, QIC US will not generally exercise investment discretion over client accounts. In general, investment discretion will be retained by the investment teams. However, QIC US will have an ongoing responsibility on a non-discretionary basis to select or make recommendations, based upon the needs of the investment teams and their clients, as to specific securities or other investments that accounts managed by the QIC Group may purchase or sell. In certain instances, QIC US will also have responsibility to execute trades in U.S. securities on behalf of client accounts in accordance with instructions received from the primary investment team.

I4. Voting Client Securities

As a non-discretionary sub-adviser to QIC's investment teams, QIC US will not generally have or exercise proxy voting authority over securities held in client accounts. QIC's investment teams will have such authority, and QIC US may be called upon from time to time to provide recommendations to QIC's investment teams as to how particular proxies should be voted.

QIC US has implemented proxy voting policies and procedures in accordance with securities laws and its fiduciary obligations to its clients. To obtain a copy of these policies and procedures, please contact the QIC US compliance department at + 61 7 3020 7069 or email a request to corporaterisk@qic.com.

I5. Financial Information

QIC US does not permit prepayment of fees. QIC US is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.