

ADV Form Part 2:
Firm Brochure

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December 11, 2014

This brochure provides information about the qualifications and business practices of CDAM (UK) Ltd. If you have any questions about the contents of this brochure, please contact us at +44 (0) 207 183 0941 or info@cdam.co.uk. 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 CDAM (UK) Ltd also is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

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ITEM 2 MATERIAL CHANGES

This Item is not applicable.

ITEM 4 ADVISORY BUSINESS

CDAM (UK) Ltd ("CDAM") is an investment adviser with its principal place of business in London, United Kingdom. CDAM commenced operations as an investment adviser on April 1, 2006. Adam Chamberlain and Scott Davies are the principal owners of CDAM.

CDAM provides investment advisory services on a discretionary basis to its clients, which include a private pooled investment vehicle (the "Fund") and separately managed accounts for institutional investors (the "Managed Accounts").

CDAM is responsible for all investment decisions of the Fund and the Managed Accounts. CDAM's primary investment objective is to maximize long-term total returns in variable market and economic conditions, while emphasizing preservation of capital. CDAM's investment strategy is opportunistic and follows a fundamental, value-oriented approach. Investments generally are made with a long-term time horizon and are generally unlevered and long-biased. CDAM has acquired and liquidated investments across a wide spectrum of asset types, investment strategies, market sectors, market cycles and industries. This spectrum includes, but is not limited to domestic and foreign equity and debt securities, futures options and other derivative securities.

CDAM provides advice to client accounts based on specific investment objectives and strategies. CDAM does not tailor advisory services to the individual needs of clients.

As of December 1, 2014, CDAM managed approximately \$305,447,573 million in regulatory assets under management, all on a discretionary basis. CDAM does not manage any assets on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

CDAM is paid an asset-based investment management fee typically ranging from 1 to 1.5% per annum of the net assets of the Fund and the Managed Accounts.

Investment management fees are charged each month in arrears based on the total market value of the assets in the Fund and the Managed Accounts (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last day of the month. If a new client account is established during a month or a client makes an addition to its account during a month, the investment management fee will be prorated. If a client's investment management agreement is terminated or a withdrawal is made from a client account during a month, the fee payable to CDAM will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the month in which the investment management arrangement was in effect or such amount was in the account.

CDAM is also entitled to receive performance-based compensation, which is compensation based on the net increase (i.e., capital gains on, income derived from or appreciation of investment) in each investor's shares of the Fund or Managed Account, as applicable. The performance-based compensation is structured as a performance fee in an amount equal to 20% of the net increase, generally payable as of the end of each calendar year. Under certain circumstances, receipt of the performance fee is subject to a high water mark and a non-cumulative hurdle rate (equal to the greater of 5% or the U.S. dollar three month Libor plus 100 basis points (i.e., 1%)).

The management fee and performance fee are negotiable.

CDAM deducts the investment management fee from client accounts on a monthly basis and the performance fee on an annual basis, subject to the qualifications described above, by instructing the client's custodian.

In addition to paying investment management fees and, if applicable, performance-based compensation, client accounts are also subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; taxes, duties and other governmental charges; costs associated with foreign exchange transactions; other portfolio expenses; legal expenses; internal and external accounting, audit and tax preparation expenses and costs, expenses and fees associated with products or services that may be necessary or incidental to such accounts or their investments.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As further described in Item 5 above, CDAM is entitled to be paid performance-based compensation in the form of a performance fee from the Fund and the Managed Accounts.

In addition, CDAM's investment personnel are typically compensated on a basis that includes a performance-based component. CDAM and its investment personnel, including investment personnel that share in performance-based compensation, manage both client accounts that are charged performance-based compensation and client accounts that are charged an asset-based fee, which is a non-performance-based fee. The performance fee may create an incentive for CDAM to make investments that are riskier or more speculative than would be the case in the absence of the performance fee. CDAM, however, applies substantially the same investment strategy to the Fund and all Managed Accounts. As a result of this common trading strategy, CDAM believes that it does not face the conflict of interest that may arise when an investment adviser accepts performance-based fees from some, but not all, clients.

Furthermore, CDAM has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple client accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. CDAM reviews investment decisions for the purpose of ensuring that its client accounts, which pursue substantially the same investment strategy, are treated equitably. The performance of the Fund and the Managed Accounts are also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, CDAM's procedures relating

to the allocation of investment opportunities require that the Fund and the Managed Accounts participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged. These areas are monitored by CDAM's Chief Compliance Officer.

ITEM 7 TYPES OF CLIENTS

CDAM's clients consist of the Fund and the Managed Accounts.

The minimum initial and subsequent investment amounts for the Fund are set forth in the Fund's offering documents, which may be waived by the board of directors of the Fund in its discretion. The minimum initial amount to establish a managed account with CDAM is generally £10,000,000.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

CDAM primarily follows a "value" investment strategy of making investments for the Fund and the Managed Accounts in securities that CDAM believes are priced significantly below their intrinsic value as a business enterprise or asset. The market price of such investments may be temporarily depressed (i) by visible near-term problems, (ii) because value is being overlooked by the market, (iii) because of investor uncertainty over a complex legal or business circumstance, or (iv) for any number of other reasons. CDAM believes that pursuing this strategy should result in a portfolio with significant potential for appreciation, even in uncertain market conditions, while at the same time reducing risk and mitigating the effects of broad market declines or unexpected events. As stated in Item 6 above, the Fund and the Managed Accounts pursue substantially the same investment strategy.

CDAM may make investments for the Fund and the Managed Accounts in a number of different market sectors and industries and in securities and other financial instruments of all kinds. As market forces and investor preferences cause one industry or asset category to generally decline in price, CDAM expects that there will be greater opportunity to make investments in such industries and asset classes at larger discounts to their intrinsic values. CDAM intends to be flexible in shifting portfolio allocations for the Fund and the Managed Accounts among different sectors in order to make investments at attractive prices, as measured against their intrinsic value.

To succeed in applying a value approach, CDAM believes that it must (i) locate and accurately evaluate numerous candidates for investment, (ii) determine that the value of the asset or business enterprise is not permanently impaired (iii) establish the valuation discount between the investment's market price and CDAM's intrinsic price, (iv) determine how the investment's value will increase in absolute terms, or identify the event or other change of conditions that will cause any value discount to be reduced, and (v) properly execute the strategy to acquire and dispose of the asset for the greatest gain.

CDAM believes that a value strategy should be applied in an opportunistic manner, since the asset categories that present the greatest discounts to intrinsic value (and, therefore, the most attractive risk relative to potential return) will shift with investor preferences. Accordingly, CDAM believes that portfolio allocation also must shift towards those areas that are often the most out of favor or the least understood. In

CDAM's view, that total return is mostly driven by favorable prices at purchase, and that these are found by continually re-evaluating investment categories in light of prevailing market perception and economic conditions. CDAM evaluates investment opportunities in the following asset categories: undervalued equity securities, sovereigns, securities issued by companies in connection with a reorganization or restructuring, high-yield securities, and securities issued by non-U.S. companies. Consistent with the investment guidelines of the Fund and the Managed Accounts, CDAM may invest in various derivative instruments (including instruments used for hedging and non-hedging purposes). Such investments may involve risks that exceed those involved in the asset categories set forth above.

CDAM may employ certain active investment management techniques including trading with derivatives. These techniques may be employed in an attempt to hedge risks associated with the Fund and the Managed Accounts portfolio or for profit. CDAM also employs various trading techniques in an attempt to generate profit for the Fund and the Managed accounts. The Fund's and the Managed Accounts' cash balances may accumulate in custody accounts, interest-bearing bank accounts, short-term debt securities, securities subject to repurchase agreements, money market mutual funds, or other securities. The cash balances of the Fund and the Managed Accounts will vary from time to time, as CDAM may deem advisable. CDAM may also deem it advisable to hold no cash balances whatsoever from time to time.

There can be no assurance that the CDAM investment strategy described above will achieve profitable results. CDAM endeavours to commit resources among the various investments and strategies consistent with the philosophy and process articulated above and in response to changing market conditions and opportunities. The foregoing discussion includes and is based upon numerous assumptions and opinions concerning global financial market and other matters. These assumptions and opinions may not be accurate. The description set forth above is general and is not intended to be exhaustive. Investing in securities involves a risk of loss that clients should be prepared to bear.

Material Risks

The following is an explanation of the material risks that CDAM believes are associated with its investment strategy. Unless stated otherwise, each risk applies to the Fund and the Managed Accounts. Further discussion of these and other risks associated with an investment in the Fund is set forth in the prospectus. The following risk factors do not purport to be a complete list of explanation of all the risks associates with an investment in the Fund or the Managed Accounts.

General Investment Risks

Substantial risks are involved in investing in the various securities and instruments CDAM intends to purchase and sell. Prices may be influenced by, among other factors, changing supply and demand relationships, the domestic and foreign policies of governments, particularly policies to do with trade or with fiscal and monetary matters, political events, particularly elections and those events that may lead to a change in government, the outbreak of hostilities, even in an area in which the Fund and the Managed Accounts are not invested, economic developments, particularly those related to balance of payments and trade, inflation, money

supply, the issuance of government debt, changes in official interest rates, monetary revaluations or devaluations and modifications in financial market regulations.

As a result of the nature of CDAM's investment activities, the financial performance of the Fund and the Managed Accounts may fluctuate substantially from period to period.

Availability of Investment Opportunities

The success of the Fund and the Managed Accounts will depend on CDAM's ability to identify undervalued investment opportunities and to exploit price discrepancies primarily in equity and fixed income markets. Identification and exploitation of the investment strategies to be pursued by CDAM involves a high degree of uncertainty. No assurance can be given that CDAM will be able to locate suitable investment opportunities in which to deploy all of the Fund and the Managed Accounts assets or to exploit discrepancies in the securities markets. A reduction in the pricing inefficiency of the markets in which CDAM will seek to invest, as well as other market factors, will reduce the scope for the investment strategy.

Concentration of its Investments

CDAM may commit a significant portion of a client's assets to a single investment and, as a result, from time to time the Fund and the Managed Accounts may hold a few, relatively large positions. Furthermore, the Fund and the Managed Accounts may, from time to time, be more heavily invested in only a few sectors or asset classes based on prevailing market conditions. Such concentration of investments and the risks associated therewith may expose the Fund and the Managed Accounts to losses disproportionate to those incurred by the market in general if the areas in which the Fund and the Managed Accounts investments are concentrated are disproportionately adversely affected by price movements, and the aggregate return on a client's account may be materially adversely affected by the unfavorable performance of even a single portfolio investment.

Common Stock

Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer.

Small and Mid-Cap Issuers

Depending on market conditions, pursuit of CDAM's investment strategy may result in the Fund's and the Managed Accounts' assets being invested in securities of small-cap and mid-cap issuers. While, in CDAM's opinion, small- and mid-cap companies generally offer the potential for greater capital appreciation than investments in large-cap companies, small- and mid-cap companies may present greater risks since they may have a limited history of operations and may be subject to high volatility in revenues, expenses and earnings. The securities of such issuers

may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings than securities issued by larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of the securities of large-cap issuers.

International Investments

CDAM's investment strategy may result in investments by client accounts in issuers organized outside of the United States. Investments in countries other than the United States involve risks in addition to those applicable to U.S. investments, including risks attributable to adverse political, social and economic developments in other countries and risks resulting from the differences between the regulations to which issuers and markets are subject in different countries. These risks may include expropriation of assets, confiscatory taxation, withholding taxes on dividends and interest paid on Fund and Managed Account investments, currency exchange controls and other limitations on the use or transfer of Fund and Managed Account assets and political or social instability. Investments outside the United States also involve currency exchange rate risks. There may be rapid changes in the value of non-U.S. currencies or securities, causing the value of Fund and Managed Account investments to be volatile.

Derivative Instruments

CDAM may cause client accounts to invest in or otherwise use various derivative instruments, including listed and OTC forwards and options, interest rate swaps, interest rate futures, foreign exchange contracts and options on any of the above. Use of derivative instruments presents various risks, which include the following:

- **Tracking** - When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent CDAM from achieving the intended hedging effect or expose the Fund and the Managed Accounts to the risk of loss.
- **Liquidity** - Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets CDAM may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which CDAM may conduct transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Fund and the Managed Accounts to the potential of greater losses.
- **Leverage** - Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the Fund and the Managed Accounts and could cause wider performance fluctuations than would be the case if CDAM did not use the leverage inherent in derivative instruments.
- **Over-the-Counter Trading** - Derivative instruments that may be purchased or sold by CDAM may include instruments not traded on an exchange. The risk of non-performance by the obligor on such an instrument may be greater and the ease

with which CDAM can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument.

In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange.

Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Sovereign Debt

Sovereign debt instruments, which are debt obligations issued or guaranteed by a foreign governmental entity, are subject to the risk that the governmental entity may delay or fail to pay interest or repay principal on debt that it has issued or guaranteed, due to, for example, cash flow problems, insufficient foreign currency reserves, political considerations, relationships with other lenders such as commercial banks, the relative size of the governmental entity’s debt position in relation to the economy or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a governmental entity defaults, it may ask for more time to pay or for further loans, or it may ask for forgiveness of interest or principal on its existing debt. Furthermore, a governmental entity may be unwilling to renegotiate the terms of its sovereign debt. There may be no established legal process for a bondholder to enforce its rights against a governmental entity that does not fulfil its obligations, nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

Currency Risk

CDAM may purchase and sell investments in a currency that differs from the currency in which the Fund’s and the Managed Accounts’ investments are priced. In such transactions, the Fund and the Managed Accounts will be subject to the risk of fluctuations in the currency exchange rate between the local currency and the currency of the Fund and applicable Managed Accounts investments (to the extent such risk is not hedged) and to the possibility of exchange controls.

ITEM 9 DISCIPLINARY INFORMATION

This Item is not applicable.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

This Item is not applicable.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CDAM has adopted a Code of Ethics (the "Code") that obligates CDAM and its supervised persons to put the interests of CDAM's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. In addition to compliance with CDAM's policies and procedures, all of CDAM's personnel are required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting the Chief Compliance Officer by email at info@cdam.co.uk or by telephone at +44 (0) 207 183 0941. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by CDAM's supervised persons.

CDAM and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of CDAM. CDAM has adopted policies and procedures governing gifts and business entertainment, which includes quarterly disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

CDAM, in the course of its investment management and other activities, may come into possession of confidential or material non-public information about issuers, including issuers in which CDAM or its related persons have invested or seek to invest on behalf of clients. CDAM is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. CDAM maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that CDAM is meeting its obligations to its clients and remains in compliance with applicable law. In certain circumstances, CDAM may possess certain confidential or material, non-public information that, if disclosed, might be material to a decision to buy, sell or hold a security, but CDAM will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, CDAM will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that CDAM possesses such information), or not using such information for the client's benefit, as a result of following CDAM's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

CDAM and its supervised persons do not invest in the same securities that CDAM or a supervised person recommend to clients. CDAM's Code prohibits supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of CDAM's supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, CDAM's supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with CDAM and on an annual basis thereafter. CDAM's supervised persons are required to provide broker confirmations of each transaction in which they engage and annual certification of such transactions. CDAM's supervised persons are also required to provide quarterly brokerage statements. Trading in the personal accounts of CDAM's supervised persons is reviewed by the Chief Compliance

Officer and compared with transactions for client accounts and reviewed against the restricted securities list.

ITEM 12 BROKERAGE PRACTICES

CDAM is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such trades on behalf of the Fund and the Managed Accounts. In selecting a broker-dealer for each specific transaction for the Fund and the Managed Accounts, CDAM uses its best judgment to choose the broker-dealers that it deems are most capable of providing “best execution” on an overall basis, as further described below.

CDAM considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer’s compensation. Such factors include, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; the operational facilities of the brokers (including back office efficiency) and the quality, comprehensiveness and frequency of available research. In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer’s compensation, CDAM need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. CDAM’s Chief Compliance Officer and traders meet periodically to evaluate the broker-dealers used by CDAM to execute client trades using the foregoing factors.

CDAM may receive research or other products or services other than execution from a broker-dealer in connection with transactions by the Fund and the Managed Accounts. This is known as a “soft dollar” relationship. Currently, CDAM has no formal soft dollar arrangements.

To the extent that CDAM enters into soft dollar arrangements in the future, CDAM expects to limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. Research services within Section 23(e) may include, but are not limited to research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and

services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

CDAM did not acquire any products or services with client brokerage commissions (or mark-ups or mark-downs) within the last fiscal year.

Under certain circumstances, CDAM may permit clients to direct CDAM to execute the client's trades with a specified broker-dealer. When a client directs CDAM to use a specified broker-dealer to execute all or a portion of the client's securities transactions, CDAM treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion CDAM would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account. Although CDAM attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case CDAM will continue to comply with the client's instructions. Transactions in the same security for accounts that have directed the use of the same broker will be aggregated.

When the directed broker-dealer is unable to execute a trade, CDAM will select broker-dealers other than the directed broker-dealer to effect client securities transactions. A client who directs CDAM to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because CDAM may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain foreign ordinary shares and/or small capitalization or illiquid securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions. By permitting a client to direct CDAM to execute the client's trades through a specified broker-dealer, CDAM will make no attempt to negotiate commissions on behalf of the client and, as a result, in some transactions such clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of shares, round and odd lots and the market for the security. The commissions charged to clients that direct CDAM to execute the client's trades through a specified broker-dealer may in some transactions be materially different than those of clients who do not direct the execution of their trades. Clients that direct CDAM to execute the client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other clients of CDAM.

CDAM often purchases or sells the same security for many clients at or near the same time and using the same executing broker. It is CDAM's practice, where appropriate, to aggregate client orders for the purchase or sale of the same security submitted at or near the same time for execution using the same executing broker. CDAM will also aggregate in the same transaction, the same securities for accounts where CDAM has brokerage discretion. Such aggregation may enable CDAM to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the client has negotiated the commission rate directly with the broker, CDAM will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible

commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a client's account, CDAM may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate and/or receive less favorable prices than clients who are able to participate in an aggregated order.

When an aggregated order is completely filled, CDAM allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, CDAM's procedures provide that the securities or proceeds are also to be allocated pro rata.

ITEM 13 REVIEW OF ACCOUNTS

Each client portfolio is reviewed on an on-going basis by Scott Davies, Chief Investment Officer, and other members of CDAM, including (i) research analysts who monitor and review positions and risk on a daily basis, (ii) operations staff who are responsible for confirmation, settlements and position reconciliation on a daily basis, (iii) finance and account staff who perform daily cash liquidity and collateral management, allocate profits and losses among investor in the Funds, calculate and accrue management fee and performance-based compensation due to CDAM, among other things and (iv) compliance staff who support investment management personnel and monitor regulatory risks, among other things.

Investors in the Fund receive reports from the Fund in accordance with the terms of the Fund's prospectus.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

This Item is not applicable.

ITEM 15 CUSTODY

This Item is not applicable.

ITEM 16 INVESTMENT DISCRETION

CDAM provides investment advisory services on a discretionary basis to the Fund and the Managed Accounts. Please see Item 4 for a description of any limitations clients may place on CDAM's discretionary authority.

Prior to assuming full discretion in managing a client's assets, CDAM enters into an investment management agreement or other agreement that sets forth the scope of CDAM's discretion. Unless otherwise instructed or directed by a discretionary *client*, CDAM has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and, (ii)

the amount of securities to be purchased or sold for the client account. Although client accounts are typically managed on a *pari passu* basis, they may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

To the extent CDAM has authority, pursuant to the investment management agreement or other governing documents of a client account, to participate in class action claims (each, a "Claim") it will do so on a case-by-case basis. Once CDAM receives a Claim, CDAM or its designee will determine whether any clients or former clients of CDAM owned the security during the period covered by the Claim. Appropriate personnel of CDAM, or its designee, will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim, (ii) prospects for recovery, (iii) resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors that CDAM deems relevant.

On occasion, errors may occur with respect to trades executed on behalf of the Fund and/or the Managed Accounts. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account, and when the wrong quantity is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded). To the extent an error is caused by a third party, such as a broker, CDAM will strive to recover any losses associated with such error from such third party. If the trade error was caused by CDAM, the firm will determine whether it violated the standard of care set forth in its investment management agreement with the Fund and/or the Managed Accounts, and, unless it finds that to be the case, any losses likely will be borne by the Fund and the Managed Accounts (subject in certain instances to insurance claims by the Fund and the Managed Accounts that may offset any such losses). Any gains resulting from trade errors will be credited to the Fund and the Managed Accounts.

ITEM 17 VOTING CLIENT SECURITIES

To the extent CDAM has been delegated proxy voting authority on behalf of its clients, CDAM complies with its proxy voting policies and procedures that are designed to ensure that in cases where CDAM votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

In some circumstances, CDAM clients are permitted to direct their votes in a particular solicitation. A client that wishes to direct its vote in a particular solicitation shall give reasonable prior written notice to CDAM indicating such intention and provide written instructions directing CDAM's vote in regard to the particular solicitation. Where such prior written notice is received, the CDAM will vote proxies in accordance with such written instructions received from a client, provided that such instructions are provided to CDAM in a timely manner.

If a material conflict of interest between CDAM and a client exists, CDAM will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the client or take some other appropriate action.

Clients may obtain a copy of CDAM's proxy voting policies and procedures and information about how CDAM voted a client's proxies by contacting us at the following address:

CDAM (UK) Ltd
16 Clifford Street, London
W1S 3RG, UK

T: +44 (0) 207 183 0941
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ITEM 18 FINANCIAL INFORMATION

This Item is not applicable.