

**ITEM 1: COVER PAGE**

Form ADV, Part 2A  
(the “Brochure”)

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April 2015

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This brochure provides information about the qualifications and business practices of Veritas Asset Management LLP. If you have any questions about the contents of this brochure, please contact us at +44 (0) 203 758 9900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Veritas Asset Management LLP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Veritas Asset Management LLP is a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

## **ITEM 2: MATERIAL CHANGES**

This Brochure dated April 2015 has been prepared in accordance with SEC requirements. This section of the Brochure is dedicated to disclosing specific material changes that have been made to it since the last annual update.

Pursuant to SEC requirements, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year (December 31<sup>st</sup>). We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Alison Moitysee, US Chief Compliance Officer at +44(0)203 758 9937 or [amoitysee@veritas-asset.com](mailto:amoitysee@veritas-asset.com).

**ITEM 3: TABLE OF CONTENTS**

<u>Item</u>		<u>Page</u>
1	Cover Page	1
2	Material Changes	2
3	Table of Contents	3
4	Advisory Business	4
5	Fees and Compensation	7
6	Performance-Based Fees and Side-By-Side Management	9
7	Types of Clients	11
8	Methods of Analysis, Investment Strategies and Risk of Loss	12
9	Disciplinary Information	18
10	Other Financial Industry Activities and Affiliations	19
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
12	Brokerage Practices	22
13	Review of Accounts	27
14	Client Referrals and Other Compensation	28
15	Custody	29
16	Investment Discretion	30
17	Voting Client Securities	31
18	Financial Information	33

#### **ITEM 4: ADVISORY BUSINESS**

Veritas Asset Management LLP (the “Firm”) was organized as a limited liability partnership in the United Kingdom in 2014 but, taking into account its predecessor entities, the Firm has been in business since 2001. The Firm’s principal office is in 90 Long Acre, London WC2E 9RA, United Kingdom. The Firm serves as an investment manager, investment adviser or sub-adviser to various clients, including, but not limited to, pension plans, foundations, investment vehicles and governmental entities. (Please see Item 7 of this Brochure for more information with respect to the Firm’s clients.)

The firm provides such investment management services on a discretionary basis [only].

#### **Principal Ownership of the Firm**

The Firm’s principal owner is Affiliated Managers Group, Inc. (“AMG”). AMG holds a 65% interest in Veritas Asset Management LLP indirectly through three wholly owned subsidiaries.

AMG is a publicly-traded asset management company (NYSE: AMG) with equity investments in boutique investment management firms. In addition to its equity interest in the Firm, AMG also holds equity interests in other investment management firms (collectively the “AMG Affiliates”). Each of the AMG Affiliates, including Veritas Asset Management LLP, is operated autonomously and independently, except as described in this Brochure.

The remaining interest in the Firm is owned by the individual partners in the Firm. The Firm currently has one Corporate Partner and four Executive Partners. Since the formation of the Firm in 2014, the individual Partners in aggregate have held approximately 35% of the equity in issue and AMG have held the balance of 65%.

The Partners who are Portfolio Managers have each contributed capital to the Firm and entered into a commitment to remain in the Firm for a minimum fixed period. Further details on these individuals are included in the Brochure Supplement.

Prior to 2014, the Firm was structured as a limited company with private client services up until 2013. It was then split and restructured into two separate partnerships.

#### **Governance of the Firm**

The Firm is organized in the United Kingdom as a limited liability partnership, and is managed by the Executive Partners, comprising three Portfolio Managers (one of whom is the Chairman) and the Chief Operating Officer. The Board has overall responsibility for managing the Firm. The day to day business is overseen by several committees which include Investments, Operational Risk and Client Services. Such committees meet regularly and are comprised of Partners and certain members of staff. There is a Hong Kong office, which is regulated by the Securities and Futures Commission (SFC). Staff in the Hong Kong office are all investment professionals.

The Firm undertakes discretionary management of mandates which are offered to clients either by way of separate accounts or through pooled investment vehicles ("Private Funds").

#### ***Advisory Services Provided to Separate Account Clients***

For separate account clients, the Firm offers asset management services that consist of continuous and ongoing supervision over specified account(s). Each client enters into a written investment management agreement to appoint the Firm as the investment adviser with respect to an account. Each account consists only of assets held by a qualified custodian under the client's name. The custodian maintains custody of all funds and securities in the account, and the client retains all rights of ownership (e.g. the right to withdraw securities or cash, and the right to exercise [or delegate] proxy voting).

As set forth in each investment management agreement, each account shall be invested in one of the firm's investment strategies. A description of each strategy and certain risk factors is set forth in Item 8 below.

The investment recommendations and any decisions of the Firm with respect to each strategy and account are subject to various market, currency, economic, political and business risks, and will not necessarily be profitable. The Firm cannot guarantee the future performance of any strategy or account, promise any specific level of performance, or promise that the Firm's investment decisions or overall management of any strategy or account will be successful. Any asset withdrawals or any client investment restrictions may impair achievement of investment objectives. The Firm may manage investments for a number of clients, and may give advice or take actions for some clients that is different than the advice provided or actions taken for others. The Firm is not obligated to buy, sell or recommend any security or investment that we may buy, sell or recommend for any other client or for our own Private Funds. Neither the Firm nor its Partners or employees make any representations or warranties, express or implied, that any level of performance or investment results will be achieved by any strategy or account, of that any strategy or account will perform comparably with any standard or index, including any other strategies or clients of the Firm, and including clients whose accounts may be invested in the same strategy as other clients.

The Firm is generally not expected to consider and diversify a client's account based on any other assets the client might hold, and the Firm's only responsibility with respect to diversification is to invest the assets held in the account in accordance with the investment strategy set forth in the investment management agreement.

Each investment management agreement will also identify any investment restrictions that the client may impose with respect to the account. The Firm will not enter into any investment management agreement if a prospective client seeks to impose unduly restrictive investment restrictions.

### ***Advisory Services Provided to the Private Funds***

The Firm provides discretionary advisory services for Private Funds organized outside the United States. A description of each strategy is set forth in Item 8 below. Details regarding the services provided to the Private Funds and otherwise regarding the Firm's arrangements with the Private Funds are set forth in each Private Fund's offering memorandum.

Each Private Fund is managed only in accordance with its own characteristics and is not tailored to any particular shareholder (each an "investor"). Since the Firm does not provide individualized advice to the investors (and an investment in a Private Fund does not, in and of itself, create an advisory relationship between the investor and the Firm), investors must consider whether a particular Private Fund meets their investment objectives and risk tolerance prior to investing. While this Brochure may be provided to investors, and may include information about the Private Funds, this Brochure is intended solely to provide information about the Firm and should not be considered to be an offer of interests in any Private Fund. Information about a Private Fund can be found in the offering memorandum.

### **Assets under Management**

As of 28<sup>th</sup> February 2015, Veritas Asset Management LLP managed approximately £11.3 billion of client assets on a discretionary basis. Veritas Asset Management LLP does not manage any assets on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

Fees paid to the Firm for investment advisory services are generally dependent on the nature of the services being provided. In addition to management fees, which cover only the Firm's advisory services, clients bear other costs that are necessary or incidental to the advisory service. The particular incidental expenses may vary from client to client, although all clients will be subject to certain types of incidental expenses, including costs associated with buying, selling, or holding investments, such as custody fees and charges, and expenses associated with transactions such as taxes, duties and commissions, commission equivalents and other brokerage expenses.

The Firm's fees and any incidental expenses will reduce the assets held in, and the returns in client accounts and Private Funds. Management fees and incidental expenses associated with accounts managed by Veritas are described below by client type (separate accounts and Private Funds).

### **Separate Account Clients**

The following represents Veritas's current fee arrangements for separate account clients:

#### **Fee Structure:**

First £10 million 1.00% (100 basis points) per annum  
Next £25 million 0.75% (75 basis points) per annum  
Next £25 million 0.60% (60 basis points) per annum  
Next £50 million 0.50% (50 basis points) per annum  
Thereafter 0.40% (40 basis points) per annum

Separate account fees have evolved over time and may be changed from time to time in Veritas' discretion in discussion with clients.

Set up and operating costs for a separate account would relate to the specific Custodian and Trustee appointed by the Client.

Aside from the Annual Management Charge (AMC), VAT may be applicable, subject to status. In addition, each client is responsible for custody/administration fees, brokerage outside of Veritas Asset Management LLP charges.

The specific manner in which fees are charged is established in a client's written agreement with the Firm. Veritas will generally bill its fees on a monthly or quarterly basis in arrears. Management fees will be prorated for each contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

The Firm's management fees only cover advisory services from Veritas. Separate accounts are responsible for certain additional fees, expenses and costs (in addition to the management fee) which are incidental or related to the maintenance of an account for the buying, selling and holding of investments, including but not limited to brokerage commissions and related costs and expenses, transaction fees, custodial fees, governmental charges, deferred sales charges, odd-lot differentials, taxes and duties, wire transfer and electronic fund fees, transfer fees, registration fees, withholding taxes Payable and required to be withheld on by issuers or agents, fees associated with cash sweep or cash management vehicles (including unaffiliated money market funds) and other fees and taxes on brokerage accounts and securities transactions. Collective investment schemes and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee, and the Firm shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that the Firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g. commissions).

### **Private Funds**

Management Fees. The Private Funds pay the Firm annual management fees ranging from 0.50% (50 basis points) to 1.50% (150 basis points) depending on the Private Fund and share class acquired.

Other Fees and Expenses. Incidental expenses of the Private Funds include brokerage fees, commissions, transfer taxes, and other costs in connection with the acquisition and disposition of portfolio securities. In addition, the Fund bears the cost of custody fees, governmental charges, taxes and duties, transfer fees, registration fees and other expenses associated with buying, selling or holding investments and withholding taxes payable or required to be withheld by issuers or their agents. The Private Funds also bear expenses such as legal, accounting, offering and printing, regulatory or tax compliance expenses, operational expenses, audit expenses and administrative expenses. Some clients may be eligible for fee rebates. Certain Private Fund incidental expenses relate to services that are provided by the Firm, such as organizing or managing the Private Fund's business affairs; executing and reconciling trades; preparing financial statements and providing audit support; preparing tax related schedules; and investor or sales support such as drafting, printing or distributing correspondence to investors and prospective investors. The Private Funds may pay fees or reimbursements to the Firm, or third parties for all these services.

From time to time, Veritas may agree to limit total expenses of a Private Fund, including the Firm's management fee.



## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Performance Based Fees and Conflicts of Interest**

Certain pooled vehicles managed by the Firm operate performance based fees. In each instance, the fee applies once the performance exceeds a pre-defined level referred to as a high-water mark. The Firm may have an incentive to favor performance fee accounts over other accounts and may also have an incentive to make relatively more risky investments in performance fee accounts.

Because the performance fees received by the Firm may be subject to a benchmark or hurdle rate, the Firm may have the incentive to favor accounts that are generally above their respective benchmarks or hurdle rates (and therefore required to pay performance fees) over those accounts that are generally below their respective benchmark or hurdle rate (and therefore are not required to pay performance fees until such accounts return to their applicable high water marks) or accounts that are not subject to performance fees. This conflict is most apparent where two accounts follow the same, or a similar, investment strategy. Accordingly, Veritas and its personnel may have differing compensatory interests with respect to different clients. However, Veritas' fiduciary obligations to act in the best interest of its clients mitigate potential conflicts of interest that may exist with respect to Veritas' allocation of time, resources and investments among the clients based on differing compensatory interests. In addition, Veritas has a strict Code of Ethics and a Conflicts of Interest Policy in place, which applies to all employees and Partners. Compliance with such policies is monitored by [Compliance] and monthly management information is also provided to [Management] for review. In some strategies both a performance fee fund and one which only charge annual management fees (long only) may be managed by the same Portfolio Manager. In cases such as these, there may be the potential for conflicts of interest to arise, including the incentive to preference accounts for which performance fees are payable. However, in circumstances where a Fund with a performance fee and a long only Fund are managed by the same Portfolio Manager, the investment process should largely be the same. Risk controls and investment mandates are documented and electronic monitoring via the Firm's order management system ensures both are adhered to.

### **Side by Side Management**

Side-by-side management of different accounts may raise potential conflicts of interests. Where the actions taken on behalf of one account may affect other similar or different accounts (e.g. because such accounts have the same or similar investment styles or have potentially conflicting investments or investment styles) and Veritas and its personnel have different interests in such accounts, Veritas may have an incentive to favor certain accounts over others that may be less lucrative, or to favor accounts in which it or its affiliates have a significant proprietary interest. Similarly, when Veritas receives performance-based fees or allocations, or Veritas personnel have a financial incentive to achieve gains in excess of the disincentive to suffer losses, Veritas and or such personnel may have an incentive to choose investments that are riskier or more speculative than might otherwise have been chosen. Such conflicts may present particular concern when, for example, Veritas places, or allocates the results of securities transactions that Veritas believes could more likely result in favorable performance, engages in cross trades or

executes potentially conflicting or competing investments. To mitigate these conflicts, Veritas' policies and procedures seek to provide that investment decisions are made based on the best interests of the accounts and without consideration of Veritas' (or such personnel's) pecuniary, investment or other financial interests.

In addition, Veritas has a duty to treat all accounts fairly and equitably over time. Although the Firm has a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that the Firm use the same investment practices consistently across all portfolios. In general, investment decisions for each client account may be made independently from those of other client accounts, and will be made with specific reference to the individual objectives of each client account. Furthermore, different client guidelines and/or restrictions, operational issues such as custody facilities and availability of cash, may lead to the use of different investment practices for portfolios within a similar investment strategy. As a result, although the Firm manages numerous portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to the accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

The Firm's portfolio and dealing procedures are designed to ensure that all eligible portfolios (separate accounts and Private Funds) have an equal opportunity to participate in any investment opportunity at the same time. This applies to IPOs and limited offerings. Trades are allocated on a pro-rata basis across eligible client accounts unless there are specific business reasons to allocate otherwise. Partial fills are allocated pro-rata unless they are so small that this is uneconomic. Holdings of client portfolios are reviewed on a regular basis by the relevant members of the investment team. See Item 13.

Allocations are reviewed internally on a weekly basis as part of the compliance monitoring programme. Relevant controls are externally reviewed as part of the AAF Report (which is an Internal Controls report, conducted by external auditors on an annual basis). A written Conflicts of Interest Summary is maintained and reviewed at least annually. See Item 12. Along with the Firm's Personal Account Dealing, Gifts and Hospitality, Order Execution and Order Allocations policies, these provide a framework for promoting the fair treatment of all accounts managed by the Firm.

## **ITEM 7: TYPES OF CLIENTS**

Veritas provides portfolio management services to institutional clients primarily including: corporate pension schemes, local authorities, charitable institutions, foundations, government entities, sovereign funds, and non-U.S. domiciled funds such as UCITs and AIFs.

The Firm does not generally set account minimums for segregated contractually managed arrangements; however the Firm's Private Funds have more than one account minimum (the relevant Private Fund prospectus/offering document should be referred to). These minimums may be waived by the managing entity of the Private Fund in its sole discretion. Separate accounts are subject to a minimum size requirement.

Veritas' clients include privately placed pooled investment vehicles (each a "Private Fund".) Interests in the Private Funds are not registered under the Securities Act of 1933, as amended, (the "1933 Act") and therefore are offered only to "accredited investors" under the 1933 Act's Regulation D. This Brochure may be provided to current or prospective investors in a Private Fund, together with the Private Fund's private placement memorandum ("PPM"), organizational documents and other related documents (the Private Fund's "Governing Documents"), prior to or in connection with such person's consideration or execution of an investment in a Private Fund, and may subsequently be provided in Veritas' discretion or, annually, at the request of an investor in the Private Fund(s) (each an 'Investor'). Investors and other recipients should be aware that while the Brochure may include information about the Private Funds, as necessary or appropriate, it should be considered to represent a complete discussion of the features, risks and or conflicts associated with any Private Fund. More complete information about each Private Fund is included in the Private Fund's PPM, which may be provided to current and eligible prospective investors only by Veritas or another authorized party.

**In no event should this Brochure be considered to be an offer of interests in a Private Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.** Rather, this Brochure is designed solely to provide information about Veritas for the purpose of compliance with certain obligations under the Investment Advisers Act 1940, as amended (the "Advisers Act") and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the Information provided in a PPM. To the extent that there is any conflict between discussions herein and similar or related discussions in any PPM, the PPM shall govern.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

This Item 8 describes the general investment strategies employed by the Firm in managing separate accounts client portfolios and the Private Funds, as well as the primary risks associated with these investment strategies, although it is not always possible to identify all the risks associated with investing and the particular risks applicable to a client portfolio will depend on the nature of the account, its investment strategy or strategies and the types of securities held.

The Firm is an investment management firm whose key investment objective is to deliver long term real returns for its clients.

In general, the Firm may invest client assets in the following securities and instruments: equity securities, listed and unlisted securities, securities traded over the counter, non-U.S. securities, warrants, private placements, rights offerings, open-end funds, convertible bonds and preferred stock.

The Firm primarily utilizes its own independent research and analysis, and uses a bottom-up investment approach to create a diversified portfolio of equities. The Firm does not construct portfolios with reference to an index.

The Firm may also invest in depositary receipts, synthetics or participation notes if direct local holdings in a market are not permitted or less advantageous.

The Firm has a long term investment horizon.

With respect to the management of Private Funds, the investment objectives and restrictions are set forth in the relevant offering document. For example, some clients do not permit investment in the securities of companies which operate in certain countries or which manufacture tobacco or are involved in the gambling industry.

Any investment includes the risk of loss and there is no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

Client portfolios (separate accounts) generally invest in equity securities, each in accordance with general investment strategies described below, subject to portfolio-specific investment objectives, guidelines and restrictions. Strategies will be take liquidity, servicing and resources into consideration. Whilst the investment objective is specific to each strategy, there is commonality between them all with respect to the investment process, ideas generation, research, portfolio construction and risk management.

## **Global Equity Investment Strategy**

Our “Real Return” objective is to protect and grow the real value of clients’ capital. As a result all money managed on behalf of our clients is done so with a real return mind-set and utilising the framework of the Veritas Real Return Approach. This approach is implemented by an investment team with substantial experience. The approach demands that all potential investments are analysed from an absolute basis rather than relative to any benchmark or index. There is a defined process to identify potential investment opportunities with in depth proprietary fundamental analysis to understand both quality and value. The valuation concentrates on absolute value with a margin of safety on mid to large capitalisation companies, with sensible concentration levels – balance of diversification and focus. The opportunity sets include time arbitrage (company or sector)/general decline/high volatility. If there are a lack of investment opportunities, due to valuation, then the Portfolio Managers are prepared to hold cash. We invest globally primarily in developed markets although some emerging market exposure is present. We are an Equities House so therefore we invest in equities and equity linked derivatives (primarily for access purposes). We also buy equity derivatives and contracts for differences (CFDs).

There are two phases to the Veritas Real Return Approach. The first stage of the process includes selecting companies for entry to our “Universe of Investable Companies”. This stage in itself has three components, idea generation, research and valuation. The second phase is portfolio construction, whereby portfolios are constructed from our Universe list according to the specific mandate.

Within an investment capacity, in relation to having the final decision on buying and selling securities in the portfolio, the Portfolio Managers have total discretion, provided it fits within the investment guidelines. At the point of deciding whether a security should be bought or sold, it should be noted there has been significant research carried out by the relevant analyst/team.

Within the Global Equity strategy, the maximum individual stock holding is 8% of a client portfolio. On average, over 75% of a global equity mandate will be in large-cap liquid stocks. Portfolio managers visit management whenever possible and carry out in-depth fundamental analysis. Veritas typically only holds 25-40 companies, all of which we know well. Veritas has strict closing position criteria in that changes in fundamentals, particularly the yield dynamics, will result in selling a position and a review of the position will be carried out after a 10% capital loss and subsequent 5% moves. The Portfolio Manager may utilize derivatives for the private funds under certain circumstances to aid in capital preservation. This protection will typically take the form of exchange traded equity index put options.

The Global Team operates mandates as follows:

- **Global Focus:**

The strategy is designed for long-term investors who wish to build capital over a number of years through investment in a focused portfolio of global companies in equities and equity derivatives in 25 – 40 stocks.

- Global Equity Income:

The strategy is designed to provide a high and growing level of income and thereafter to preserve capital in real terms over the long term in equities which display an acceptable dividend profile in 25 – 40 stocks.

- Global Real Return:

The strategy is designed to deliver real returns over the medium and longer term. More specifically, the target is to achieve a return on a compound annualised basis exceeding the UK CPI plus 6% over a 3-5 year time period in predominantly equities but can invest in CFDs.

- Izoard Fund:

The strategy is designed for long-term investors who wish to build capital over a minimum five year rolling period through investment in a concentrated portfolio of global companies of between 8 – 25 stocks, predominantly in equities.

### **Asia Equity Investment Strategy**

There are three Asia Equity investment strategies, each currently used in Private Funds only. Investment will be led by broad macro themes in order to identify investment opportunities, using fundamental analysis to assess quality and value with a mid to large capitalisation bias and diversification. The focus is on durably high quality companies in sectors that show structural growth but also explore opportunities in cyclical winners and special situations.

Positions may be held through a combination of direct investment and/or derivative instruments. Our philosophy is driven by the belief that we can deliver attractive returns by adopting a thematic approach to Asia and by focusing on the two main drivers of strong returns, dividend yield and earnings momentum. We invest in a core portfolio of high dividend yielding stocks together with a trading portfolio which consists of earnings driven shorter-term opportunistic positions.

We analyse the prevalent macro and sector conditions and try to determine what companies are likely to see upgrades or downgrades in earnings growth. We also systematically collect earnings forecasts from the brokerage community and compare our views to the consensus, in order to identify potential for earnings upgrades and downgrades. Armed with these we may go long stocks that we anticipate to show positive earnings revision and go short stocks that may show negative revisions.

Within each client mandate, there is a “core portfolio” and a “trading portfolio”. With respect to the “core portfolio”, we seek to find high dividend yield companies that are at the same time beneficiaries of long term strategic themes and with stable and predictable, albeit, subdued earnings growth. Our aim is to obtain total return of 15-20% per annum. With respect to the “trading portfolio”, our focus is on fundamental research of earnings growth that has been materially under- or over-estimated by the market. The “core portfolio” is essentially long positions in stable dividend yield companies. The “trading portfolio” will focus on stock positions that display positive earnings momentum. The split between the core portfolio and trading

portfolio is typically 50:50 however this is a dynamic relationship and will be skewed to either depending on market conditions.

The Asia Team operates the following mandates:

- Asian Strategy

A long-only strategy offering exposure to Asia excluding Japan. This strategy is designed for long-term investors who wish to build capital over a number of years through investment in a portfolio of equity and equity related securities in companies located in Asia (excluding Japan).

- China Strategy

A long-short strategy targeting returns between 10-15% per annum on a rolling three to five year basis. The strategy aims to achieve long term capital growth, regardless of market conditions, by taking long and short positions primarily in equities or equity related derivative contracts of companies located in China (People's Republic Of China, and its Special Administrative Regions, Hong Kong and Macau) or Companies that are not located in China but derive a majority (over 50%) of their income from China.

- Real Return Asian Strategy

A long-short strategy investing in the Far East including Japan, targeting returns between 10-15% per annum on a rolling 3-5 year basis. The strategy aims to achieve long term capital growth. More specifically, the target is to achieve a return on a compound annualised basis exceeding 10%. The strategy aims to achieve this by investing primarily in Asian & Pacific equities. The strategy will also invest in bonds, cash and derivatives with a view to control risk or enhance returns.

### **Certain material risks**

Clients and investors should understand that all investments are subject to risks and that the return and the principal value of investments fluctuate depending on general market conditions and other factors, so that from time to time the value of an investment may be worth more or less than its original cost. You should be prepared to bear the risk of loss if you desire to sell your investment at a time when its value is worth less than the original cost. Further, depending on the types of investments, there may be varying degrees of risk. You should be prepared to bear investment loss including the loss of your original principal. You may lose money.

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable.

Principal risks associated with any account or investment, as well as specific risks associated with certain strategies or investment objectives are described below.

More detail with risks associated with Private Funds is set forth in each Fund's information memorandum. The list below does not purport to be an exhaustive list of the risks that may be associated with any particular account or investment.

### **Risk Management**

Consideration is given to sector and country diversification in portfolio construction as diversification is proven to be the most logical way to protect the total portfolio. We aim for lower volatility in the fund and monitor efficiency of risk/return performance by Sharpe Ratio and Sortino Ratio and make use of a risk analytics tool Excerpt (EM Applications). These are only tools, however, and do not drive the investment process.

### **Investment Risk**

A prospective investor should be aware that investments are subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of investments will occur or that the investment objectives of any mandate will actually be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested.

Past performance is not indicative of future results. Therefore, an investor should never assume the future performance of any specific investment or investment strategy will be profitable.

### **Risks associated with Currency**

Overseas stocks are subject to fluctuations in currency movements and there is a risk that the portfolio might experience currency and foreign exchange rate fluctuations that may adversely affect the value of investments in the portfolio.

### **Risks associated with Emerging Markets**

Veritas may invest in emerging markets, which are more volatile than investments in more developed markets due to political and economic situations in emerging countries. Securities markets in emerging market countries may be smaller than those in developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Potential political instability and corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud or other legal problems. Public information may be limited with respect to emerging market issuers, and they may not be subject to uniform accounting, auditing, and financial standards and requirements. Investment in emerging market securities presents greater risk and is intended only for investors who are able to bear and assume this increased risk.

### **Risks associated with the use of counterparties**

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent which could cause losses to the client accounts.

### **Risks associated with Liquidity**

Some assets in client accounts may be difficult to sell (i.e. illiquid stocks) when required and may limit the fund manager's ability to readily convert the investment into cash.



**Risks associated with Leverage**

While the use of leverage may increase the returns of an investment, it will also involve a high degree of risk. Leverage will create an opportunity for greater yield and total return but it will also increase client accounts exposure to capital risk and interest costs and may result in significant losses.

**Risks associated with Long / Short Strategies and Derivative Instruments**

There is no guarantee that the use of long and synthetic short positions will succeed in limiting client accounts exposure to market movements, sector swings or other risk factors. Derivative instruments may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments.

Where Veritas uses derivatives as a significant part of the investment strategy, the value of these investments can change rapidly and may cause the fund to lose a significant amount of value. Veritas will use contracts for differences (“CFDs”) or swaps to create synthetic long positions and synthetic short positions but may also use futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange-traded or over-the-counter. Veritas may also engage in short sales. Amounts may be retained in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral if it is considered appropriate to the client’s objective.

**Risks associated with Non-Diversification/Concentration**

Accounts that are non-diversified or more concentrated may have larger positions in fewer companies than would a diversified portfolio. A concentrated portfolio is more likely to experience significant fluctuations in value, exposing an investor to a greater risk of loss in any given period than a diversified portfolio.

**Risks for Private Fund Investments**

Principal risks for the Private Funds are described above. More detail and specific risks associated with certain investment objectives or strategies are set forth in each Private Fund’s prospectus.

This list does not purport to be an exhaustive list of risks that may be associated with any particular account or investment.

#### **ITEM 9: DISCIPLINARY INFORMATION**

Neither Veritas Asset Management LLP nor its management persons have been subject to legal or disciplinary events that are material to its advisory business or that would be material to its existing or prospective clients' evaluation of its advisory business or the integrity of its management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Affiliations**

The Firm is 35% owned by the Veritas Partners and the remaining 65% is owned by Affiliated Managers Group ('AMG').

AMG, a publicly traded asset management company (NYSE:AMG) with equity investments in boutique investment management firms, holds a majority equity interest in Veritas Asset Management LLP. AMG also holds equity interests in certain other investment advisers ("AMG Affiliates"). Each of the AMG Affiliates, including Veritas Asset Management LLP, is operated autonomously and independently, and except as described in this Brochure, the Firm does not have any business dealings with these AMG Affiliates and does not conduct any joint operations with them. The AMG Affiliates do not provide advice for the Firm's clients. As such, AMG's ownership interest in the Firm does not, in the Firm's view, present any potential conflict of interest for the Firm with respect to our clients. AMG also holds equity interests in firms which may also be broker/dealers. More information regarding AMG, including its public filings and a list of all AMG Affiliates, is available at [www.amg.com](http://www.amg.com).

Veritas Asset Management LLP is based in the United Kingdom and regulated by the UK Financial Conduct Authority. Veritas also provides services to institutional clients in a number of other countries including Australia via a class order exemption, and is licensed as a Financial Services Provider in South Africa.

Veritas Asset Management LLP's subsidiary, Veritas Asset Management (Asia) Limited is a Hong Kong Limited Company and holds a financial services license from the Securities and Futures Commission (SFC) in Hong Kong. In addition, it is registered as an exempt reporting advisor in the U.S with the SEC. However, Veritas Asset Management (Asia) Limited is engaged in business exclusively outside of the United States and does not directly advise or effect securities transactions involving the assets of U.S. residents.

### **Other Financial Activities**

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a broker/dealer, futures commission trader, commodity pool operator, commodity trading advisor, or an associated person of one of the foregoing types of entities.

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

The Firm has established a variety of restrictions, procedures and disclosures designed to address conflicts of interest arising between and among client accounts as well as between client accounts and the Firm and its personnel. All the Firm's Partners and personnel must act in accordance with the fiduciary standard. In addition to the provisions of the Code of Ethics which are described in greater detail below, the Firm maintains a written Conflict of Interest Summary which identifies conflicts and potential conflicts of interest faced by the Firm and the relevant controls in place to address such conflicts. A current copy of the Code of Ethics can be obtained by contacting:

Veritas Asset Management LLP  
90, Long Acre  
London WC2E 9RA  
United Kingdom  
+44 203758 9937  
amoitysee@veritas-asset.com  
Attention: Compliance Department, Code of Ethics request

**Code of Ethics**

The Firm has a fiduciary duty to its clients, and accordingly has adopted a Code of Ethics (the "Code") that applies to all partners and employees. The Code describes the standard of conduct the Firm requires of its Partners and employees including personal trading in accounts owned, managed or beneficially owned by the individual. The Code's provisions also include requirements relating to areas such as gifts and business entertainment, confidentiality of information, the provision and solicitation of political and charitable contributions and outside appointments. The Code of Ethics is reviewed at least annually and approved by the Chief Compliance Officer.

**Personal Trading**

All Partners and employees must provide the Firm with a listing of their securities holdings, as well as copies of trade confirmations and details of their brokerage accounts. These requirements of the Code apply to all accounts over which employees have investment discretion, or in which they have a direct or indirect beneficial ownership interest.

**Participation or Interest in Client Transactions**

Employees and Partners of the Firm may invest in Private Funds, other funds and other securities managed by the Firm. The Firm requires that any such personal transactions must be approved by the Chief Compliance Officer and/or Chief Operating Officer.

The Firm does not buy or sell for the Firm's accounts, securities that the Firm has recommended to our clients. The Firm also does not engage in principal trades with our Clients.

Veritas maintains policies and procedures, including the Code and policies and procedures regarding batch transactions (described in Item 12), reasonably designed to assure that Veritas

and its personnel service all client accounts in a manner consistent with the duties an adviser owes to its clients and applicable law and without considering such persons' ownership, compensatory or other pecuniary or financial interests.

#### **Insider Trading/Material Non-Public Information**

In addition, the Firm's Code of Ethics also includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by any partner or employee of the Firm. In accordance with these policies, any matter which may involve inside information is required to be brought to the attention of the Chief Compliance Officer or general counsel prior to any trading activity. In addition, to prevent trading of public securities based on material, non-public information, the Firm maintains a "restricted list" that identifies any securities that cannot be purchased for personal or client accounts because material, non-public information may have been received by a partner or employee of the Firm. Provided such issuers are set up in the Firm's systems, such issuers named on this restricted list are coded as "prohibited" in the Firm's trading and portfolio compliance system, thus blocking the Firm from trading in these securities without the consent of the Firm's Chief Compliance Officer.

#### **Gifts and Business Entertainment**

The Firm's Code of Ethics includes policies and procedures regarding giving or receiving gifts and business entertainment between the Firm's Partners, employees and certain third parties (e.g. vendors, broker/dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. The Firm specifically monitors for any potential conflicts of interest with respect to individual instances of gifts or entertainment, as well as patterns of the same over time, to prevent the interests of the Firm and its Partners and employees from being placed ahead of the interests of our clients.

#### **Charitable Contributions**

From time to time, the Firm may donate to charitable causes. In general, those donations are made in response to requests from the Firm's partners or employees. The Chief Operating Officer approves all charitable contributions to be made by the Firm. Requests for charitable contributions from clients or potential clients are not permitted without the consent of the Chief Operating Officer.

#### **Political Contributions**

The Firm prohibits its Partners and employees from making political contributions on behalf of the Firm or to be reimbursed for personal political contributions, or from making political contributions for the purpose of securing or retaining business. All requests for political or campaign contributions from clients or potential clients are required to be declined and are strictly forbidden.

## **ITEM 12 – BROKERAGE PRACTICES (INCLUDING BEST EXECUTION)**

Veritas Asset Management LLP owes each of its clients a duty of care and loyalty. The Firm is required to execute securities transactions for its clients in a manner such that the net proceeds to the client are the most favourable under the circumstances. It is the Firm's policy to select brokers or counterparties to execute client transactions in a manner that is consistent with the best interests of its clients and to employ a trading process that attempts to maximize the value of a client's portfolio within the client's stated investment objectives and constraints. In selecting a broker, the Firm may consider various relevant factors, although no one factor is determinative in the Firm's decision-making process. These factors include one or more, but are not limited to, best price, current market conditions, time constraints, liquidity, volatility in the markets, volatility in the particular type of security or asset, size and type of transaction, the nature and character of the market for the security or asset in the transaction, confidentiality, execution efficiency, settlement capabilities, financial soundness and credit worthiness of the Broker, full range and quality of the broker's services, the responsiveness, reputation, reliability and experience of the broker, the reasonableness of any commissions or spreads, difficulty of execution, ability and willingness to commit capital to the transaction, past effectiveness in executing illiquid or difficult types of securities or assets or difficult types of orders and the value of brokerage and research.

Best execution means that the net proceeds to a client are the most favourable under the circumstances. Best execution does not mean that the client always must obtain the lowest possible commission cost. It is the Firm's policy to establish the methods to be followed to ensure that it is seeking to achieve best execution of its clients' portfolio transactions while complying with all applicable regulatory standards and the investment guidelines of its clients. All brokers are subject to initial vetting and thereafter regular performance review by the Broker Committee, which comprises the Head of Trading, Compliance Officer and Chief Operating Officer. The Firm will always seek brokers that provide an efficient service at a commission rate that is competitive and in line with market norms or better. The rate negotiated is reviewed on a regular basis by the Broker Committee. The Firm uses a retrospective analysis of services provided to identify brokers who have consistently and substantively added value to our investment process. The research review process involves qualitative and quantitative inputs designed to rank and assess a broker's research through a voting process. With respect to execution factors, the trading desk conducts a quarterly review and input may be sought from the Operations team. This review of execution factors is also reported to the Executive Partners. These combined reviews are used as general guidelines for the Dealing Desk in deciding which broker to use for specific transactions although best execution always takes precedence in all transactions.

### **Trade Aggregation and Allocation**

When the same investment decision is made for more than one client on the same day, the Firm may place orders to buy or sell the same security for a number of clients. Whenever possible, orders to purchase or sell the same security for multiple accounts are aggregated. The Firm will not aggregate investment transactions for accounts unless the transaction is consistent with the Firm's duties to its clients, the terms of the applicable investment advisory agreement and each account's investment objectives, restrictions and policies.

The Firm's general policy is to aggregate orders for one or more clients in the same security if the investment decisions for such clients are made contemporaneously or, before an order for one client has been executed, a decision to purchase or sell the same security is made on behalf of another client. The orders for two or more clients should be aggregated only if the Firm determines that:

- Aggregation is consistent with the Firm's duty to obtain best execution;
- Aggregation is consistent with the terms of the investment advisory contract of each participating client; and
- No advisory client will be favoured over any other client.

The Firm's policy is to allocate investment opportunities among various clients (including the sequence of placing orders) in a manner believed by the Firm to be fair and equitable to each client over time. The allocation of investment opportunities will never favour any client account over the detriment of another client. In addition, the allocation of investment opportunities will not favour the Firm.

The key elements of the procedures for implementing this policy are summarized below:

The Firm's trading procedures incorporate a systemic allocation model which requires Portfolio Managers to identify on the dealing sheet, the basis of allocation for each trade undertaken. The Firm may manage multiple accounts with similar investment objectives and strategies or may manage accounts with different objectives or strategies that may trade in the same securities. Despite these similarities, the Firm's portfolio decisions about each client's investments and the performance resulting from these decisions may differ from those of other clients. The Firm will not necessarily purchase or sell the same securities for client accounts at the same time or in the same proportionate amounts for all eligible clients. It is expected, however, that client accounts with similar investment objectives may trade many of the same securities at the same time. When the Firm purchases thinly traded securities or oversubscribed public offerings, it may not be feasible to allocate a transaction pro rata to all eligible clients. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

The Firm shall allocate investment opportunities among its clients (including the sequence of placing orders) in a manner believed by the Firm to be fair and equitable to each client over time. In making these allocations, VAM should take into account the following factors:

- The client's investment objectives and strategies.
- The composition, size and characteristics of the account.
- The client's country weightings.
- The cash flows and amount of investment funds available to each client.
- The amount already committed by each client to a specific investment.
- Each client's risk tolerance and the relative risk of the investment.
- The marketability of the security being considered.

Allocation is imposed through the automated order management system.

All allocation objectives and implementation procedures are designed to ensure that all clients receive equitable treatment, ensuring as far as possible that all portfolios with the same mandate look alike. Partial fills are allocated pro rata, to the value of orders placed unless resultant allocation is so small to make settlement uneconomic. Separate and pooled accounts are treated alike under this allocation process. Allocations across portfolios are reviewed as part of the compliance monitoring programme.

### **Initial Public Offerings (“IPOs”)**

An initial public offering is a company’s first offer of stock for sale to the public. Depending on the interest in this initial offering, VAM’s access to these newly offered shares may be limited in amount at the time of the initial offering. In the event that the Firm participates in any initial public offerings and other securities with limited availability (collectively, “IPOs”), the Firm allocates IPOs among accounts as it would for any other security that is, on a pro rata basis and taking into consideration factors such as client eligibility, client account objectives and preference, investment restrictions, account sizes, cash availability, and current specific needs. Allocation of IPOs and other limited offerings across client accounts is monitored periodically as part of the internal monitoring process to ensure that all accounts are treated fairly and equitably over time.

### **Prime Brokers**

The Firm has two Prime Brokers – UBS and Deutsche Bank.

### **Trade Errors and Trade Error Accounts**

The Firm’s goal is to execute trades seamlessly in the manner intended as being in the best interests of the client and consistent with the Firm’s investment decision. While errors can occur for a variety of reasons, the consequences and the required corrective measures that are appropriate may differ depending upon the nature of the error or the account affected. The Firm’s goals in correcting trading errors are as follows:

- To identify any errors in a timely manner;
- To correct all errors so that any affected account is placed in the same or no worse a position than it would have been had the error not occurred;
- To ensure that all costs associated with correcting an error are borne by the Firm (or another party, if that party is at fault) and are not passed on to the client, and
- To assess what actions are required to prevent a recurrence of the error.

The Firm have a Breaches and Errors Escalation Policy which is adhered to in the event that such an incident occurs. If a trade error were to occur, it is the Firm’s policy to make the client account whole. Also if a client account were to benefit from a trade error, any profits would remain with the account (unless the client instructed otherwise). Any material breach of an investment restriction would be disclosed to the Client.



## **Internal Cross Trades**

Cross trades are rare but where they are permitted, take place, other than in exceptional circumstances, via executing brokers at market prices, generally executed at mid-point of the bid-ask price at the time the last order is placed. The Chief Compliance Officer/Chief Operating Officer must approve any internal cross trade. In considering such requests, the regulatory requirements, client guideline restrictions and fairness of the trade to both parties are assessed and the transactions are done for the sole benefit of all participating clients.

## **Foreign Exchange (“FX”) Transactions**

For its Private Funds and as instructed by several separate accounts, the Firm instructs FX transactions through an FX trading platform operated by a third party provider, Brown Brothers Harriman. For the majority of its separate account clients, it is the responsibility of a client’s custodian to handle FX transactions.

For clients which have not elected to use the Info FX platform, the Firm will instruct the client’s Custodian to effect the necessary FX transaction. This is done either through standing instructions communicated to the custodian when the account is established or at the time settlement instructions are sent to the custodian for a particular transaction. The custodian is responsible for executing FX transactions, including the timing and applicable rate, of such execution pursuant to its own internal processes. Where a client has arrangements in place with their custodian regarding the execution of FX transactions, such arrangements may impact the fees and expenses charged to the client by the custodian. Therefore, all such FX transactions are effected with the client’s custodian, and the Firm does not seek to obtain different FX rates from other sources.

## **Directed Brokerage**

The Firm may accept client instructions for directing the client’s brokerage transactions to a particular broker. Clients must acknowledge that such an arrangement may detract from the Firm’s ability to obtain best execution and obtain volume discounts given the range of eligible brokers available. There may be a disparity in commission charges with clients who do not have directed brokerage arrangements.

## **Brokerage Relationships**

The Firm is not directly related to any brokers but may be considered affiliated with other brokers as a result of the common ownership with AMG. With respect to such brokers which may be viewed as affiliated to the Firm through AMG, the Firm does not use such entities to execute trades on behalf of its clients. The Firm may have many other relationships with brokerage firms. For example:

- the Firm may invest client assets in securities issued by brokers or their affiliates.
- the Firm may provide investment management services to affiliates or pension arrangements related to certain brokers.

- Notwithstanding such relationships or business dealings with these brokers, the Firm has a fiduciary duty to its clients to seek best execution when trading with these firms, and has implemented policies and procedures to monitor its efforts in this regard.

### **ITEM 13: REVIEW OF ACCOUNTS**

Client accounts are monitored regularly based on each client's investment objective and investment guidelines, the Firm's investment policies, and compliance with statutory and regulatory requirements by the Investment Team and Compliance. Client accounts are monitored on a pre- and post-trade basis through the Firm's order management system. The system has programmed rules and restrictions that are monitored through daily exception reports.

The Investment Management Team also meets formally on a weekly basis to review portfolio weights, country allocation, as well as the performance of each strategy for the prior week, month-to-date, quarter-to-date and year-to-date.

Clients may receive different levels of service from the Firm, or have varying access to the Firm's investment and other personnel. The Firm makes decisions about the level of service offered to any client or group of clients based on a review of client needs and firm business considerations. Clients will receive monthly and quarterly fact sheets as well as quarterly economic outlook overviews. The fact sheets include information on account performance and allocations.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm has dealings with investment consultants, both in the consultants' role as adviser for their clients and through independent business relationships. Specifically, we provide consultants with information on portfolios we manage for our private funds, at clients' requests.

The Firm also provides information on our investment styles to consultants, who use that information in connection with searches they conduct for their clients. The Firm may also respond to "Requests for Proposals" (RFPs) from prospective clients in connection with those searches.

### **ITEM 15: CUSTODY**

Veritas Asset Management LLP does not act as custodian for any assets in the accounts we manage for our clients. Clients must make their own arrangements for custody of securities in their account(s). Such custodians may be broker/dealers, banks, trust companies, or other qualified institutions. Qualified custodians will typically provide clients with account statements no less frequently than quarterly relating to the assets held within the account managed by Veritas.

Veritas urges clients to carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in their account and all account activity over the relevant period. If a client has any questions, concerns, or notes any discrepancies between the qualified custodian's report and any reports provided by Veritas, we encourage you to contact promptly both Veritas and your qualified custodian. Please note that the information on the statements from Veritas and the statements from your qualified custodian may differ slightly for reasons including but not limited to: the use of different pricing sources, pending trades, the use of trade-date data versus settlement-date data, corporate actions, the payment of dividends, and tax reclaims.

Any questions in this regard can be addressed to the Firm by writing, emailing, or telephoning us using the following contact information:

Veritas Asset Management LLP  
90 Long Acre  
London WC2E 9RA  
+44(0)203 758 9900

Email: [IServices@veritas-asset.com](mailto:IServices@veritas-asset.com)  
Attention: Client Services

Veritas Asset Management LLP does not have actual physical custody of any client assets or securities invested in the funds and private funds managed by Veritas. Rather, the funds' assets are held by an independent qualified custodian. The funds are audited annually and investors receive annual financial statements by the funds' independent public accounting firm.

#### **ITEM 16: INVESTMENT DISCRETION**

For separate account clients, each client delegates investment management discretion to Veritas Asset Management LLP pursuant to its investment management agreement.

In exercising its judgment in managing client accounts, the Firm takes into account the individual objectives, restrictions and guidelines of each client, as communicated by the client, and other factors deemed relevant by the client and disclosed to the Firm. Generally, to the extent that a client wishes to impose limitations on the management of its account, the Firm will review any such limitations or guidelines provided by a client prior to the inception of the account. To the extent that any such guidelines or limitations are not acceptable, Veritas will work with the client to make appropriate revisions to such documentation in a manner that is mutually acceptable to both parties.

With respect to the Private Funds, the Firm is appointed as the investment manager on a discretionary basis based on the investment objectives and restrictions as set forth in each Private Fund's prospectus or offering document.

Client portfolios with similar investment objectives within the same investment strategy are generally managed similarly with a goal that each such client account would have the same percentage of the portfolio invested in the same securities (subject to differences arising from a variety of factors, including, but not limited to, client restrictions and liquidity of underlying securities, when the portfolio was opened and cash flows into and out of the portfolio). Investment opportunities are generally allocated to those accounts, which the Firm determines, in its sole discretion, to have an investment mandate and profile consistent with the type of security and which the Firm determines, in its sole discretion, should be included in the portfolio. All such allocation decisions are subject to client guidelines and restrictions. Other factors considered by the Firm include but are not limited to, the availability of alternative investments, the extent to which the allocation would represent a meaningful position for the account, the liquidity of the security and the availability of cash to settle the transaction. Client requests for particular securities may also be considered.

## **ITEM 17: VOTING CLIENT SECURITIES**

Veritas Asset Management LLP has established its Proxy Voting Policies and Procedures in a manner that is generally intended to support the ability of management of a company soliciting proxies to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. Accordingly, the Firm generally votes proxies in accordance with management's recommendations. This reflects basic investment criteria that good management is shareholder focused. However, all proxy votes are ultimately cast on a case-by-case basis, taking into account the foregoing principal and all other relevant facts and circumstances at the time of the vote. For this reason, consistent with its fiduciary duty to ensure that proxies are voted in the best interest of clients, the Firm may from time to time vote proxies against management's recommendations, in accordance with the guidelines set forth in its Proxy Voting Policies and Procedures.

Veritas Asset Management LLP reviews each proxy to assess the extent, if any, to which there may be a material conflict between the interests of clients on the one hand and the Firm's interests on the other hand (a "potential conflict"). The Firm performs this assessment on a proposal-by-proposal basis, and a potential conflict with respect to one proposal in a proxy does not indicate that a potential conflict exists with respect to any other proposal in such proxy. If the Firm determines that a potential conflict may exist, it will promptly report the matter to the Chief Compliance Officer. The Chief Compliance Officer will determine whether a potential conflict exists and is authorized to resolve any such conflict in a manner that is in the collective best interests of clients (excluding any client that may have a potential conflict).

### **Voting Agent**

The Firm has contracted with Proxy Edge, an independent third-party provider of proxy voting and corporate governance services ("proxy agent") which specializes in providing a variety of services related to proxy voting. Specifically, this proxy agent has been retained to provide proxy research, execute proxy votes as instructed by the Firm, and keep various records necessary for tracking proxy voting materials and proxy voting actions taken for the appropriate client account.

### **Conflicts of Interest**

If a material conflict should arise between the Firm's interests and those of the clients, it is the Firm's policy is to advise the client of such conflict and obtain their consent or instruction as to how to vote.

If you would like a copy of the Firm's Proxy Voting Policy and/or its UK Stewardship Code Policy or if you would like to review how the Firm voted on a particular security in your account, please contact:

Veritas Asset Management LLP  
90, Long Acre  
London WC2E 9RA

United Kingdom  
+44 203 758 9900  
amoitysee@veritas-asset.com  
Attention: Compliance Department



#### **ITEM 18: FINANCIAL INFORMATION**

Veritas Asset Management LLP does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.