



Form ADV Part 2A

Firm Brochure

Version: V2

## IRISH LIFE INVESTMENT MANAGERS LIMITED

February 29, 2016

**Beresford Court  
Beresford Place  
Dublin 1  
Ireland**

[www.ilim.com](http://www.ilim.com)

This brochure provides information about the qualifications and business practices of Irish Life Investment Managers Limited ("ILIM"). If you have any questions about the contents of this brochure, please contact us at 353 1 704 1200. 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 ILIM, including a copy of our Form ADV Part 1, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

ILIM is registered as an investment adviser with the SEC. Such registration does not imply a certain level of skill or training.

**ITEM 2**  
**Material Changes**

No material changes.

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## ITEM 4 Advisory Business

### **A. General Description of the Advisory Firm**

ILIM manages assets on behalf of a diverse range of institutional clients including pension plans, Investment Advisers, Insurance companies, corporations and charitable foundations, across a broad range of asset classes.

Irish Life Investment Managers Limited (“ILIM”), previously the asset management division of Irish Life Assurance (established 1939), is an Irish domiciled limited company incorporated in 1997. ILIM is an investment firm authorised by the Central Bank of Ireland under the European Communities (Markets in Financial Instruments) Regulations 2007 (MiFID). ILIM is registered with the SEC as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). ILIM has also been granted the International Adviser Exemption from registration in the Canadian Provinces of Ontario and Manitoba. This exemption enables ILIM to provide advisory services to clients in these provinces in accordance with the applicable securities legislation of Ontario and Manitoba.

Since July 2013, ILIM is part of the Great-West Lifeco (“GWL”) group of companies – global leaders in financial services. GWL is a member of the Power Financial Corporation Group of Companies (“Power Group”) and is also the parent company of (inter alia) Great-West Life Assurance, London Life, Canada Life, Irish Life, Great-West Life Financial (US) and Putnam Investments. In addition to its newly-expanded base in Ireland, Great-West Lifeco has operations in Canada, the United States (“U.S”), the United Kingdom, Ireland and Germany.

### **B. Description of Advisory Services**

ILIM offers a range of indexed strategies which are designed to track specified market indices and active quantitative strategies which are designed to meet specific objectives. These services are available through separately managed accounts, sub advised client portfolios or collective investment vehicles managed by ILIM.

ILIM’s investment philosophy is that by delivering structured investment processes, we aim to manage risk and deliver the desired outcomes to clients.

#### ***(i) Indexing***

We offer a wide range of indexed strategies across regional and global markets and across asset classes including both Market and Non Market Capitalization Indexation and can deliver to client specific index or mandate requirements.

Indexing is an investment strategy for tracking the performance of a specified industry benchmark, or “index.” An index is an unmanaged group of securities whose aggregate performance is used as a standard to measure the investment performance of a particular strategy. There are many types of indexes. Some represent entire markets, such as the U.S. stock market or the U.S. bond market while other indexes cover market segments, such as small– capitalization stocks or short-term bonds.

At ILIM we utilize both replication and optimization processes for Indexation – the choice of which is determined by a range of factors including but not limited to the investment universe, the size of mandate and costs.

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### **(ii) Quantitative Strategies**

We offer a range of active quantitative strategies across regional and global markets including;

- alpha strategies which seek to generate stable outperformance over the benchmark; and
- risk management strategies which are designed specifically to help investors manage the risk of absolute loss of capital over time ("Cumulative Drawdown"). These strategies include low volatility equity strategies and tactical asset allocation strategies

Established in 1996, our Quantitative Strategies Group (QSG) is responsible for the research, development and management of quantitative strategies. The QSG is comprised of a team of highly qualified and experienced portfolio managers with cross asset expertise with a shared investment philosophy and strong quantitative and technological skills.

Our quantitative strategies employ proprietary quantitative multi factor models which have been designed as a result of over 15 years research and experience in factor investing. These strategies are designed around a quantitative process that seeks, to assess a number of factors when selecting securities including, but not limited to, an assessment of a security's relative return potential, valuation, growth prospects, and risk profile to deliver to specific objectives for clients.

### **C. Tailored Advisory Services**

Clients may require bespoke solutions to enable them meet their specific investment objectives. To the extent a client retains ILIM to provide investment management services for a separately managed or sub advised portfolio, our capabilities allow for a high degree of customization and the client may impose specific investment restrictions on that account with respect to investing in securities or certain types of securities.

#### ***Limitations on Services***

As an asset manager, ILIM provides a specific service. ILIM does not provide tax, legal, or accounting advice, and clients should note that, unless otherwise specifically agreed or disclosed in writing, ILIM will not take tax considerations into account in managing a client's portfolio. For segregated and sub advised portfolios, we do not advise on or take any action in any legal proceedings, including bankruptcies or class actions, involving securities or other investments held or formerly held in a client's account or the issuers of those securities, except where specifically agreed with the client in writing.

### **D. Wrap Fee Programs**

ILIM does not participate in any wrap-fee programs.

### **E. Assets Under Management**

ILIM manages over \$55.9 (€52.2bn) in assets as at December 31<sup>st</sup>, 2015, on a discretionary basis.

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## ITEM 5 Fees and Compensation

### **A. Advisory Fees & Compensation**

ILIM will be delivering this brochure only to “qualified purchasers” as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

ILIM’s management fees are set forth in the investment management agreement between ILIM and the client. ILIM generally charges management fees to clients in accordance with its standard fee schedules in effect when the agreement is signed. However, management fees are negotiated with some clients, so fees may vary from the standard schedules. Fees, minimum account sizes, and fee breakpoints may be negotiated or modified in ILIM’s discretion based on factors such as asset class, pre-existing fee schedules, account size and overall size of the client relationship, portfolio complexity and customization requests (such as specific investment restrictions requested by the client that cause the account to differ from similar accounts managed at ILIM), service requirements (such as reporting and information requests), the country or market in which a client is located, affiliate status, or other factors.

ILIM does not charge performance-based fees for advisory services provided to clients.

### **B. Payment of Fees**

ILIM’s compensation for its investment advisory services is based on the market value of a client’s account at specified month/quarter ends. Generally, management fees are billed to the client and are payable quarterly in arrears.

ILIM does not deduct fees from client assets.

#### ***Valuation of Portfolio Assets in Calculating Fees***

For billing purposes, the market values of clients’ accounts will be determined on a basis agreed with the client. Market values are generally determined by publicly available prices (such as equity closing prices), third party pricing sources, or broker dealer prices. However, in limited circumstances, ILIM may have a role in determining asset values in some asset classes. For example, ILIM may be required to price a portfolio holding when a market price is not readily available or when ILIM has reason to believe that the market price is inaccurate.

To the extent ILIM’s fees are based on the value of client accounts, ILIM benefits by receiving a fee based on the impact, if any, of the increased value of assets in an account. As a result, valuation of assets by ILIM could involve a potential conflict of interest. ILIM has adopted detailed valuation procedures and related oversight controls to assist in proper valuation of client assets.

#### ***Termination***

The terms and conditions of ILIM’s services are specified in the investment management agreement between ILIM and the client. The investment management agreement generally allows either the client or ILIM to terminate it at any time on written notice, and within a defined notice period (typically 3 months).

If any advisory relationship terminates other than the end of the specified period (e.g., monthly/quarterly) used to determine the market value of the account for the purposes of calculating compensation, fees will be prorated and an adjustment made by ILIM unless otherwise agreed.



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### **C. Additional Fees and Expenses**

Investment in a portfolio of securities and other investments involves various costs, such as commissions, taxes, and custody and accounting charges. For separate account and sub advised clients, the custodian or administrator, not ILIM, charges each of these expenses (other than commissions) directly to the portfolio.

In addition to ILIM's management fee, clients may incur additional costs which are levied by third parties but which relate to the management of the account. Such additional costs include but are not limited to; VAT if relevant, custody costs, administration costs, accounting costs, index costs, trading costs arising on transactions, and voting costs where agreed by the client.

Clients are responsible for charges imposed by third parties other than ILIM. Generally third parties will levy these charges directly to the client and ILIM does not know the amounts of these expenses. For more information, clients may contact their service providers directly.

### **D. Prepayment of Fees**

ILIM does not require prepayment of management fees.

### **E. Additional Compensation**

Neither ILIM nor any of its supervised persons accept any compensation for the sale of securities or other investment products.

**ITEM 6**  
**Performance Based Fees & Side-by-Side Management**

ILIM does not receive performance-based fees for advisory services provided to clients. Therefore, ILIM does not engage in side-by-side management of clients with performance based fees.

### **ITEM 7** **Types of Clients**

ILIM manages assets on behalf of a diverse range of institutional clients including pension plans, Investment Advisers, Insurance companies, corporations and charitable foundations.

Each of ILIM's U.S. clients is a "qualified purchaser" as defined in section 2(a) (51) (A) of the Investment Company Act of 1940 Act.

ILIM generally requires client accounts, at or shortly after commencement, to have, depending on the mandate, minimum assets of at least \$50 million depending on the particular mandate and strategy. Exceptions to account minimums may be made in some cases.

### ITEM 8 Methods of Analysis, Investment Strategies and Risk of Loss

#### A. Methods of Analysis and Investment Strategies

ILIM offers a range of indexed strategies which are designed to track specified market indices and active quantitative strategies which are designed to meet specific objectives.

ILIM's investment philosophy is that by delivering structured investment processes, we aim to manage risk and deliver the desired outcomes to clients.

However, investing in securities involves risk of loss that clients should be prepared to bear.

##### **(i) Indexing**

We offer a wide range of indexed strategies across regional and global markets and across asset classes including both Market and Non Market Capitalization Indexation and have the ability to deliver to any specific index or mandate requirements.

Indexing is an investment strategy for tracking the performance of a specified industry benchmark, or "index." An index is an unmanaged group of securities whose aggregate performance is used as a standard to measure the investment performance of a particular strategy. There are many types of indexes. Some represent entire markets, such as the U.S. stock market or the U.S. bond market while other indexes cover market segments, such as small- capitalization stocks or short-term bonds.

At ILIM we utilize both replication and optimization processes for Indexation – the choice of which is determined by a range of factors including but not limited to the investment universe, the size of mandate and costs.

The replication process is applied in the management of the vast majority of ILIM's indexed range of funds. Replication has the advantage of allowing ILIM to obtain the best possible performance relative to the benchmark by achieving maximum coverage of the underlying securities within the relevant benchmark securities.

However, for a small number of mandates and principally for efficiency reasons, optimization is the preferred approach. ILIM portfolio managers select from the target index a representative sample of securities that resembles the target index in terms of key risk factors and other characteristics in order to best deliver performance in line with the target index.

##### **(ii) Quantitative Strategies**

We offer a range of active quantitative strategies across regional and global markets including;

- alpha strategies which seek to generate stable outperformance over the benchmark; and
- risk management strategies which are designed specifically to help investors manage the risk of absolute loss of capital over time ("Cumulative Drawdown"). These strategies include low volatility equity strategies and tactical asset allocation strategies.

Our quantitative strategies employ proprietary quantitative multi factor models which have been designed as a result of over 15 years research and experience in factor investing. These strategies are designed around a quantitative process that seeks, depending on the particular investment mandate, to assess a number of factors when selecting securities including, but not limited to, an assessment of a stock's relative return potential, valuation, growth prospects, and risk profile to deliver to specific objectives for clients.

### **B. Risk of Loss - Strategies**

All investments involve some risk, including possible loss of principal. ILIM can make no guarantee that any particular asset allocation or investment strategy will meet a client's particular investment objective, or provide a particular investment return or a given level of income. ILIM cannot guarantee the future performance of any of its strategies.

Fluctuations in the financial markets and other factors may cause declines in the value of client accounts. Diversification does not ensure a profit or protect against a loss in a declining market.

In respect of the two types of strategies offered to clients, it should be noted that they carry the following risks;

#### ***(i) Indexation***

Indexing strategies are subject to the risks associated with the indexes that such strategies track and clients should be prepared to bear the risk of loss associated with these strategies.

Index strategies are passively managed and do not take defensive positions in declining markets. There is no guarantee that a portfolio managed to an index strategy ("index portfolio") will achieve a high degree of correlation to its underlying index and therefore achieve its investment objective. In addition, strategies constructed under the optimization approach carry a risk that the tracking error experience will be higher than under the full replication approach due to the selection of the representative stocks from the full Index constituents.

Market disruptions and regulatory restrictions could have an adverse effect on the index portfolio's ability to adjust its exposure to the required levels in order to track its underlying index. Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on a portfolio managed to the index. The index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, and does not guarantee that the Index will be in line with its described index methodology. Errors and rebalances carried out by the index provider to the underlying index may increase the costs and market exposure risk of a portfolio.

#### ***(ii) Quantitative Strategies***

Actively managed funds, in addition to the risks posed by the underlying securities themselves, are subject to the risk that poor security selection will result in underperformance compared with the relevant benchmark or, depending on the objective underperformance, relative to the stated objective.

Investments made based on these quantitative methods may perform differently from the market as a whole or from their expected performance for many reasons, including factors used in creating the quantitative model, the relative weights placed on each factor, and changing sources of market returns, among others. Any errors or imperfections in ILIM's quantitative analyses or models, or in the data on which they are based, could adversely affect the ability of ILIM to implement such analyses or models effectively, which in turn could adversely affect a portfolio's performance. In addition, to the extent that the models require judgment or discretion by an investment professional, the models are subject to the additional risk that any decisions taken pursuant to such judgment or discretion could adversely affect a portfolio's performance. There can be no assurance that these methodologies will help a portfolio to achieve its objective.

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In using quantitative models, ILIM relies on information and data supplied by third party vendors ("Data"). This Data is an important factor in the proper functioning of the quantitative process, and, in certain circumstances, it is subject to data input and quality errors risk. For example, when Data proves to be incorrect or incomplete, or is input incorrectly, the analyses and models may not function properly, and any decisions made in reliance thereon may expose the portfolio to potential risks. The success of the quantitative analysis may depend on the accuracy and reliability of historical Data supplied by third party vendors.

### **C. Risk of Loss – Financial Instruments**

This information below provides a general description of the nature and risks of certain financial instruments namely:

- (i) Shares/Equities
- (ii) Bonds
- (iii) Derivatives

The value of financial instruments may fall as well as rise. When investing in financial instruments there is always a risk that a client may lose some or all of its original investment.

#### ***(i) Equities***

Listed below are the primary risks associated with holding equities:

- **Equity Securities Risk** - Equity securities are subject to changes in value and their values may be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which it operates. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and may do so again in the future.
- **Macro-economic risks** - Share prices are sensitive to the developments in the economy, such as a change in interest rates, value of currency, inflation rate, government policies, tax rates, and central bank policies. All these tend to influence the prices of equity securities.
- **Liquidity risks** - The liquidity of a stock is a function of its trading volume. A constriction in the volume of securities could affect the investment manager's ability to transact. Strategies that invest in small-cap or unlisted stocks are more prone to such risks. The inability to sell securities due to a lack of volumes could lead to substantial losses for the mutual fund.

#### ***(ii) Bonds***

Dealing in bonds may involve following risks:

- **Income Risk** - A portfolio's income may decline when interest rates decrease. During periods of falling interest rates an issuer may be able to repay principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.
- **Interest Rate Risk** - When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments.

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- **Credit/Default Risk** - Debt issuers and other counterparties of fixed income securities or instruments may default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments may deteriorate (e.g., be downgraded by ratings agencies), which may impair a security's or instruments liquidity and decrease its value.
- **Early Redemption Risk** - During periods of declining interest rates, the issuer of certain types of securities may exercise its option to prepay principal earlier than scheduled, forcing a portfolio to reinvest in lower yielding securities. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.
- **Risks specific to certain types of bond** - High yield securities, which are rated below investment grade and commonly referred to as "junk" bonds, are high risk investments that may cause income and principal losses for an account. They generally have greater credit risk, are less liquid and have more volatile prices than investment grade securities.

### (iii) **Derivatives**

**Derivative Risk** - Investments in derivatives, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfil its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin requirements and related leverage factors associated with such transactions. In addition, subject to jurisdictional limits, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended, established a new regulatory framework for oversight of over-the-counter derivatives transactions by the CFTC and the SEC and heightens the existing regulation of futures markets. The extent and impact of the regulation is not yet known and may not be known for some time. New regulation may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives.

As the value of the underlying instrument/instruments may fall as well as rise there is a risk of loss of some or all of the original investment.

### **D. General Risks in relation to Financial Instruments**

The following are descriptions of various primary risks related to the investment strategies used by ILIM. Not all possible risks are described below.

**Asset Class Risk** - Securities in a portfolio may underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

**Concentration Risk** - Concentrating investments in an issuer or issuers, in a particular country, group of countries, region, market, industry, group of industries, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that issuer or issuers, particular country, group of countries, region, market, industry, group of industries, sector or asset class than a more diversified mix of investments

**Counterparty Risk** - Transaction, including certain derivative transactions, entered into directly with a counterparty is subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

**Currency Risk** - Currencies may be purchased or sold for a portfolio through the use of forward contracts or other instruments. A portfolio that seeks to trade in foreign currencies may have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. A portfolio may hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates may produce significant losses to a portfolio.

**Cyber Security Risk** - With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

**Developed Countries Risk** - Investment in developed countries may subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to developed countries. Developed countries may be impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.

**Emerging Markets Risk** - Investments in emerging markets may be subject to a greater risk of loss than investments in more developed markets, as they are more likely to experience inflation risk, political turmoil and rapid changes in economic conditions. Investing in the securities of emerging markets involves certain considerations not typically associated with investing in more developed markets, including but not limited to, the small size of such securities markets and the low volume of trading (possibly resulting in potential lack of liquidity and in price volatility), political



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risks of emerging markets which may include unstable governments, government intervention in securities or currency markets, nationalization, restrictions on foreign ownership and investment, laws preventing repatriation of assets and legal systems that do not adequately protect property rights. Further, emerging markets may be adversely affected by changes to the economic health of certain key trading partners, such as the US, regional and global conflicts and terrorism and war. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

**Frontier Markets Risk** - Investments in frontier markets may be subject to a greater risk of loss than investments in more developed and traditional emerging markets. Frontier markets are more likely to experience inflation, currency and liquidity risks, political turmoil and rapid changes in economic conditions than more developed and traditional emerging markets. Frontier markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

**Hedging Risk** - Hedging techniques could involve a variety of derivatives, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency hedging strategy. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful. Hedging transactions, to the extent they are implemented, may not be completely effective in insulating portfolios from currency risks.

**Issuer Risk** - A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline or become worthless.

**Investment Style Risk** - Different investment styles tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. Portfolios may outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

**Liquidity Risk** - Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

**Market Risk** - The market value of the instruments in which a portfolio invests may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets. In addition, market conditions (e.g. illiquidity) and or the operation of the rules of certain markets may increase the risk of loss by making it difficult or impossible to effect transactions.

**Non-Diversification Risk** - Non-diversification of investments means a portfolio may invest a large percentage of its assets in securities issued by or representing a small number of issuers or exposure types. As a result, a portfolio's performance may depend on the performance of a small number of issuers or exposures.

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**Non-US Exchange Risk Exposure** - Portfolios that are denominated in US dollars, but invest in securities denominated, and may receive a portion of their income and gains, in currencies other than the US dollar, may experience a reduction in the value of such other currencies relative to the US dollar prior to conversion into US dollars. This may adversely affect the net asset values of the portfolio.

**Non-US Securities Risk** - Investments in the securities of non-US issuers are subject to the risks associated with non-US markets in which those non-US issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital markets, emerging markets, developing markets or frontier markets.

**Off Exchange Transaction Risk** - In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime.

**Offshore Investor Risk** - A portfolio, seeking to trade in foreign currencies may have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. These limitations and restrictions may impact the availability, liquidity and pricing of the financial instruments that are necessary for the portfolio to gain exposure to the currency markets, impairing the portfolio's ability to achieve its investment objective.

**Operational Risk** - A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

**Portfolio Turnover Risk** - Active and frequent trading of securities and financial instruments in a portfolio may result in increased transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of a portfolio may be adversely affected.

**Trading Facilities Risk** - Most open-outcry and electronic trading facilities are supported by computer based component systems for the order-routing execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure and your fund will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that an order is either not executed according to our instructions or is not executed at all. The ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms.

**Transactions in other jurisdictions** - Transactions on markets in other jurisdictions may expose your fund to additional risk. Such markets may be subject to regulation which may offer different or significantly diminished investor protection.

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**Valuation Risks** - The net asset value of a portfolio as of a particular date may be materially greater than or less than its net asset value that would be determined if a portfolio's investments were to be liquidated as of such date. For example, if a portfolio was required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that a portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of a portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a portfolio.

**Volatility Risk** - The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

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### ITEM 9 Disciplinary Information

#### **A. Criminal or Civil Proceedings**

ILIM has no material civil or criminal actions to report.

#### **B. Administrative Proceedings before Regulatory Authorities**

ILIM has no material administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority to report.

#### **C. Self-Regulatory Organizations (SRO) Proceedings**

ILIM has no material SRO disciplinary proceedings to report.

In the past, ILIM's advisory affiliates may have been the subject of adverse legal and disciplinary events. You can find additional information regarding relevant settlements in Part 1 of ILIM's Form ADV at [http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_Search.aspx](http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx).

## ITEM 10 Other Financial Industry Activities and Affiliations

### **A. Broker-Dealer Registrations Status**

ILIM is not a registered broker-dealer. None of ILIM's management persons are registered with the Financial Industry Regulatory Authority ("FINRA") as representatives of a broker-dealer.

### **B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status**

Neither ILIM nor any of its management persons are registered or have an application pending to register as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser, or an associated person of any such entity.

### **C. Material Relationships or Arrangements with Industry Participants**

- ILIM is the promoter of and an appointed investment manager and distributor to Beresford Funds plc, a self-managed UCITS (Undertaking for Collective Investment in Transferable Securities) regulated by the Central Bank of Ireland. Beresford Funds plc provides a unitised investment vehicle in a highly regulated framework for domestic and international institutional investors. Beresford Funds plc total assets under management as at December 31<sup>st</sup> 2015 are €2.6 billion.
- ILIM acquired Summit Asset Managers Limited ("SAM") in 2006. In its capacity as a UCITS Management Company this company manages two retail UCITS umbrella funds, and has appointed ILIM as the investment manager to both umbrellas. These funds are not marketed to new investors. SAM was authorised as an Alternative Investment Fund Manager (AIFM) in July 2014 and has been appointed as the Manager for the Irish Infrastructure Trust and the ILIM Property Fund plc. SAM has appointed ILIM to provide portfolio management services to both these vehicles. SAM total assets under management as at December 31<sup>st</sup> 2015 are €222.7 million.
- Setanta Asset Management Limited ("Setanta") is also part of the Great-West Lifeco (GWL) group of companies and, like ILIM, is an Irish domiciled investment firm authorised by the Central Bank of Ireland under the European Communities (Markets in Financial Instruments) Regulations 2007 (MiFID). ILIM and Setanta share a common direct parent. Setanta specializes in value driven active management. ILIM provides portfolio management services to Setanta on a sub-advisory basis for a number of fixed income client mandates. Setanta provides portfolio management services to ILIM in respect of certain active equity mandates.
- The Power Group also owns other insurance, investment management, brokerage and other financial businesses with which ILIM may do business. Power's financial subsidiaries include U.S. registered investment advisers, broker-dealers and insurance Companies, as well as non-U.S. investment advisers, broker-dealers, fund management companies, and insurance companies. Business activities between ILIM and its Power affiliates include providing sub-advisory services to Power affiliates' portfolios and seeking to include ILIM fund products on affiliates' distribution platforms. In addition, Power and its management, as corporate owners of ILIM, may provide general assistance in the promotion and marketing of ILIM and its products and services.

### **D. Material Conflicts of Interest relating to Other Investment Advisers**

ILIM does not recommend or select other investment advisers for clients.

Doing business with our affiliates could involve conflicts of interest if, for example, we used affiliated services when such services were not in our clients' best interests. ILIM maintains and regularly reviews its policies and procedures designed to identify and manage any potential for conflict of interest. Any business relationships with our affiliates are carried out on market terms.

### ITEM 11

## Code of Ethics, Participation or Interest in Client Transactions, Personal Trading and Other Conflicts of Interest

### A. Code of Ethics

ILIM is totally committed to the concept of integrity in all our business dealings. It is essential that all employees and directors act with integrity and honesty with clients and other parties with whom we have contact. ILIM has in place an **ILIM Code of Business Conduct and Ethics for Employees and Directors** which sets forth the standards that ILIM abides by as an investment adviser. The Code of Business Conduct and Ethics prohibits activities such as insider trading and establishes procedures to protect against conflicts of interest, including restrictions on personal trading and receipt of gifts. The Code also addresses policy in relation to data protection, information security and confidentiality. All ILIM employees are required to comply with the Code's terms as a condition of continued employment. Any client or prospective client may obtain a copy of the Code of Business Conduct and Ethics free of charge upon written request to ILIM.

Additionally, all ILIM employees are subject to the **GWL Code of Business Conduct and Ethics**. All directors, officers and employees of the Group are expected to conduct themselves with both personal and professional integrity. The Group is committed to fair dealing with all clients, employees, shareholders, suppliers, competitors and other stakeholders. This Code sets forth restrictions regarding confidential and proprietary information, information barriers, outside business activities and personal trading.

#### ***Personal Trading***

The ILIM Personal Account Dealing Policy ("the PA Dealing Policy") regulates the personal securities trading activities of employees and their related persons for the purposes of the PA Dealing Policy (i.e. a spouse/partner, or any other person whose business, private or familial relationship with an employee of ILIM might reasonably be expected to give rise to a conflict of interest in dealings for clients of ILIM). The PA Dealing Policy applies to all staff, regardless of their role in the organisation.

The PA Dealing Policy imposes limits on activities of employees where the activity may conflict with the interests of their clients. These include:

- pre-clearance requirements for all personal securities transactions
- restrictions on speculative dealings
- prohibition of the trading of any security whilst in the possession of material, non-public information (inside information) about the security
- prohibition of the trading of any security whilst a portfolio managed by ILIM is building a position or disposing of a position in that instrument
- reporting of personal security transactions

**Access Persons** are subject to additional requirements under the PA Dealing Policy. Access Persons includes employees who have access to non-public information about a client's purchase or sale of securities, or employees who have access to information about recommendations with respect to such purchases or sales, or employees who have access to non-public information about the portfolio holdings of a reportable fund.

Access Persons are required to provide annual holdings reports and quarterly transaction reports to the Chief Compliance Officer, in respect of both the access person and any related persons for the purpose of the PA Dealing Policy.

### ***Conflicts of Interest***

ILIM has a number of obligations across its regulatory requirements in relation to identifying, managing and disclosing potential and existing conflicts of interests to its clients. ILIM is required to maintain a conflicts of interest policy and ensure compliance with that policy. ILIM's overarching obligation is to act honestly, fairly and professionally in accordance with the best interest of its clients. ILIM takes all reasonable steps to identify conflicts of interests that arise in the course of providing services, between the firm and third parties, between the firm and its clients and/or between one client and another, according to its policy.

### **B. Related Party Transactions and Contemporaneous Trading**

Under the terms of its MiFID authorisation, ILIM is not authorised to trade on own account and cannot engage in any proprietary trading.

GWL imposes group-wide policies and procedures in relation to information barriers. It is the policy of each of the GWL Companies that they conduct their investment management operations with respect to publicly traded equity securities independently, that they maintain and exercise exclusive discretion to acquire, dispose of and vote the publicly traded equity securities held by them, that they do not share information with or consult with any of the affiliated companies regarding the acquisition, disposition, or voting of publicly traded equity securities, and that they do not become involved with, or attempt to influence, publicly traded equity security investment or voting decisions made by any of the affiliated companies.



### ITEM 12 Brokerage Practices

#### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

When carrying out transactions ILIM will take all reasonable steps to achieve the best possible result for clients - “best execution”. ILIM has policies and procedures in place that are designed to obtain the best possible result by taking into account, price, cost, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the achievement of best execution.

##### ***Approved broker list***

ILIM maintains an approved broker list. No trades may be executed outside the approved broker list. Only brokers approved by the Chief Investment Officer (CIO) may be included in the approved broker list. CIO approval is only given on foot of a comprehensive due diligence. As part of the broker approval process ILIM takes all reasonable steps to ensure that the entity in question will comply with the relevant obligations. The due diligence on appointment includes ensuring that contractual arrangements reflect best execution obligations. Factors considered include:

- The reason for the request
- The broker’s accounts, if applicable
- Broker’s credit rating, if rated.
- Ownership,
- Financial Statements,
- Terms of Business document,
- Standards Settlement Instructions,
- Statement as to whether the broker is MiFID compliant,
- Details on the counterparty regulatory status,
- Any other information considered by the proposer to be relevant.

In addition, for fixed income brokers, the Fixed Income Team monitors the Brokers pricing over a number of weeks to assess the prices quoted relative to other brokers/the indicative price. The Broker is only added to the fixed income approved list once the fixed income team is satisfied that the Broker is competitive and subject to CIO approval.

In the event that an entity not subject to MiFID is considered for appointment, then this is permissible provided that ILIM can be satisfied that the proposed firm complies with the over-arching requirement to achieve the best possible result for the client.

Once a broker has been added to the approved broker list it is then eligible to be added to the pool of brokers which the trading desk will use when routing orders to be executed in the market. The pool of brokers is updated regularly. The Indexation Team and the Quantitative Strategies Department vote annually on the brokers they wish the dealing desk to target for the forthcoming period.

Indexation, Quantitative and Trading teams determine which brokers are to be added to the pool on the basis of the quality of the market research and analysis provided, which aids them in the management of their portfolios. The dealers use the suggested votes as targets but will always be guided by Best Execution principles in implementing fund management decisions.

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ILIM Compliance meets with the ILIM Execution Committee on a quarterly basis to review any approvals or removals from the broker lists, and any amendment to the execution policy. The ILIM broker lists are periodically reviewed in their entirety.

### ***Research and Other Soft-Dollar Benefits***

ILIM's primary objective in broker-dealer selection is to comply with its duty to obtain best execution of orders for clients. Best execution does not necessarily mean the lowest commission, but instead involves consideration of a number of factors as listed above. An important factor may be the quality and availability of useful research and market analysis, execution-related products, and other services that a broker may provide in connection with executing trades.

ILIM does not pay any approved brokers soft commission dollars, and does not operate any commission sharing arrangements or client commission arrangements. Some of ILIM's approved brokers may at their discretion provide ILIM with additional data or services which have the potential to aid in investment decision making or trade execution, and which ILIM in good faith has determined are eligible brokerage and research services in accordance with Section 28(e) of the Securities Exchange Act 1934. Whilst broker selection may be influenced by the quality of research and analysis made available, this is not a determining factor in agreeing commission rates. The key driver is to ensure lowest possible rates for the market/instrument. In certain circumstances commission rates may reflect the broker's ability to deliver on other best execution factors such as speed, likelihood of execution and settlement.

The research products and services ILIM receives may include some or all of the following: economic analysis and forecasts, financial market analysis and forecasts, industry and company specific analysis, interest rate forecasts, arbitrage relative valuation analysis of various debt securities, analytical tools for investment research and related consulting services, market data services and other services that assist in the investment decision-making process. Research products and services are received primarily in the form of written reports and system-based services or access. When ILIM makes use of such services it receives a benefit because it does not have to produce or pay for the research, products or services provided.

As a general matter, any relevant research products and services that ILIM receives from broker-dealers are used to service all of ILIM's advisory accounts. However, any particular research product or service may be used to service fewer than all advisory accounts, and may not directly benefit the particular account(s) that generated the brokerage commissions paid to the broker-dealer providing the product or service.

### ***Brokerage for Client Referrals***

ILIM does not select broker-dealers in order to receive client referrals. The factors used by ILIM in selecting broker-dealers in order to execute trades are described above.

### ***Directed Brokerage***

ILIM does not recommend, request or require that clients direct transactions through a specified broker-dealer.

Under certain conditions, ILIM may accept written direction from a client, to direct brokerage commissions from that client's account to specific brokers in return for services provided by the brokers to the client. Due to the ILIM's overall objective of effecting client transactions consistent with its duty of best execution, ILIM generally will accept direction only with respect to a limited percentage of certain clients' overall trades on a "best efforts" basis and potentially sacrifice best execution. Consequently, ILIM generally will not enter client orders with a directed broker when a pending order with a different broker in the same security is the broker providing best execution.

### **B. Aggregation of Orders**

ILIM has systems and procedures in place to ensure that:

- Orders to deal on behalf of clients are promptly and accurately recorded and allocated.
- orders are executed promptly unless the characteristic of the order or the prevailing market conditions make this impractical
- information relating to pending client orders is not misused
- any specific instructions given by the client are followed, where applicable.

ILIM may aggregate purchase or sale orders of the same security for multiple client accounts so that orders can be executed at the same time. ILIM does not trade on its own account. ILIM will aggregate orders for accounts over which it has investment discretion in circumstances in which it believes that aggregation will result in a more favourable overall execution, and when it is unlikely that the aggregation of orders will work overall to the disadvantage of any one client. An allocation formula exists within the Fund Management systems which automatically allocates fills across client portfolios on a pro-rata basis. Where appropriate and practicable, ILIM will allocate such orders at the average price of the aggregated order.

### ITEM 13 Review of Accounts

#### **A. Frequency and Nature of Periodic Review of Client Accounts or Financial Plans**

Client portfolios are reviewed by ILIM's fund managers with responsibility over the account generally on a regular basis. The number of accounts that each portfolio manager is responsible for varies from portfolio manager to portfolio manager.

The specific interval is a function of the particular investment strategy used for the portfolio, activity within the account (i.e., additions and withdrawals of funds) as well as economic or market events affecting the portfolio. Fund Managers are levied with the responsibility of reviewing the performance of the client portfolios and their conformity with the clients' respective investment objectives and policies together with our automated risk management front office system.

Control reports are prepared on a daily basis and reviewed by the Head of the respecting Fund Management Team, the Fund Management Operations Officer and the Chief Investment Officer.

Any material issues identified during the portfolio review are addressed by the portfolio manager and escalated to their group head or the Chief Investment Officer, as appropriate.

Each portfolio is tested for compliance with various investment guidelines and restrictions through automated testing by the ILIM Fund Management Operating System at pre-trade and post-trade. In cases where rules cannot be automated, testing is implemented through frequent manual processes. This daily testing is monitored by the ILIM Compliance Department. In addition, as part of its regulatory risk based monitoring program, the Compliance Department also periodically reviews the transactions undertaken to ensure compliance with best execution and order handling policies.

In order to ensure the independence of their oversight the ILIM Compliance and Business Risk function is hierarchically independent from the fund management operation. The ILIM Chief Compliance & Risk Officer has dotted line reporting to the ILIM Managing Director and a reporting line up to the GWL Chief Compliance Officer.

The Executive Management Team also reviews the performance of all client portfolios on a monthly basis.

In addition to internal reviews, ILIM also reviews portfolios with its clients. Formal client meetings generally are held on a face-to-face basis or by telephone annually, or more frequently at client request; in addition, informal meetings and telephone discussions take place throughout the year. The portfolio manager, the relationship manager and/or other senior investment or management personnel, as appropriate, attend client review meetings. From time to time, investment personnel may share their general views of economic conditions, markets, asset allocation matters, industries, or issuers as part of client reviews or other client or prospect meetings; however, these views are informal, and should not be relied on as the basis for any investment decision.

#### **B. Factors Triggering a Review of Client Accounts**

Client accounts are reviewed regularly in line with our standard operational and compliance policies.

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In the event of a client request, material breach or significant market event, client portfolios may be reviewed outside of these standard procedures

### **C. Frequency and Nature of Periodic Review of Client Accounts**

Client service is a key competitive proposition for ILIM and we are happy to work with clients in determining a bespoke approach tailored to their reporting requirements.

Clients have a dedicated Relationship Manager who is responsible for the full service delivery to the Client. Client interaction occurs on an ad-hoc (daily, weekly, monthly) and on a scheduled formal basis – monthly, quarterly & annually.

Examples of the scheduled formal requirements include:

- Formal Monthly Portfolio Report including:
  - (i) Valuation
  - (ii) Performance
  - (iii) Portfolio Analysis
  - (iv) Market Commentary
- Formal Board/Investment Committee Reporting - provided in line with Client requested timelines and format on a quarterly basis.
- Attendance at Client meetings as required

Investment strategy, development & review are co-ordinated by the Relationship Manager and are conducted on a collaborative basis to ensure full access to relevant senior ILIM personnel for the Client.

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### ITEM 14 Client Referrals and Other Compensation

#### **A. Economic Benefits of Providing Services to Clients**

In connection with providing investment advisory services to its clients, ILIM does not receive sales awards, prizes or other economic benefits from someone who is not a client.

ILIM employees, including portfolio managers, may receive limited gifts and entertainment from third parties. Under ILIM's policies and procedures, any gifts and entertainment are subject to ILIM's Gifts and Inducements Policies, and must be of a reasonable value so they do not influence the nature of the investment advice given to clients, the selection of broker-dealers to execute portfolio trades, or other business decisions.

#### **B. Compensation to Non-Supervised Persons for Client Referrals**

ILIM may from time-to-time compensate affiliated and non-affiliated persons for client referrals in accordance with Rule 206(4)-3 under the Advisers Act and applicable state laws and regulations. The compensation paid would generally consist of a cash payment computed as a percentage of ILIM's advisory fee, although other methods of computation may be used. The costs of any such referral fees are paid entirely by ILIM and, therefore, do not result in any additional charges to the client.

### **ITEM 15** **Custody**

ILIM does not maintain physical custody of client assets for its clients. Clients' assets are typically held by a qualified custodian, pursuant to a separate legal agreement between the client and its custodian. ILIM's clients typically arrange for their custodians to forward records to ILIM, and ILIM reconciles these records against its own records on a regular basis.

### **ITEM 16** **Investment Discretion**

ILIM also receives discretionary authority from separate account and sub advised clients at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. ILIM typically receives discretionary authority, through an investment management or similar agreement between ILIM and the applicable client. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account including any reasonable limitations or restrictions imposed by the client regarding the management of its portfolio.

In order to trade and manage a client's separate account with their custodian, the client must arrange with their custodian for ILIM to have the authority over their account.

For accounts that may trade derivative instruments, ILIM may require that clients execute additional legal agreement with market counterparties and to provide any additional necessary information necessary in order to comply with any reporting obligations falling on ILIM.



### ITEM 17 Voting Client Securities

ILIMs discretion to vote on behalf of clients portfolios is set out in the Investment Management Agreement. Where such discretion has been granted to ILIM, we will adopt our standard voting policy.

ILIM became a signatory to the United Nations Principles for Responsible Investment (“UNPRI”) in 2013. Devised by the investment community, the UN PRI reflect the view that environmental, social, and corporate governance (“ESG”) issues can affect the performance of investment portfolios. As a UN PRI signatory, ILIM recognizes the importance of ESG issues to the practice of investment management. ESG factors are important to certain investors and can have an impact on the valuation of investment securities

ILIM has in place a comprehensive Environmental, Social and Governance (ESG) Policy.

ILIM recognizes and adheres to the principle of active ownership and exercising the right to vote on issues submitted to shareholder vote as a way of promoting good ESG policies.

#### **A. Voting Policies & Procedures Relating to Voting Client Securities**

ILIM have appointed ISS – an expert in the proxy voting - to provide advisory and proxy voting services. These services include voting recommendations, vote execution and reporting.

ILIM has adopted the ISS Sustainability Policy. This involves monitoring companies’ boards for their performance in relation to ESG issues and independence and will generally support shareholder proposals regarding disclosures on social, environmental and labor/human rights issues. This will meet the requirements of the UNPRI as they apply to voting.

It is important to note that ILIM reserves the right at all times to vote on any matter even if this is contrary to the recommendations of ISS. This situation may arise, for example, where ILIM is actively engaging with a company and has an agreed course of action agreed which would require a vote on a specific matter which may be contrary to the default recommendation of ISS.

The ILIM ESG Governance Committee is responsible for reviewing and monitoring the Firm’s adherence to the Voting policy.

The ESG Governance Committee reviews votes cast by ISS on behalf of the Firm to ensure consistency with the ESG Policy. If the committee determines a vote cast is inconsistent with our policy, then this matter is raised with ISS to identify corrective action for future votes.

A report on voting activities is provided to the ILIM Executive Management Team and the ILIM Board at least annually.

#### **B. Non-authority to Vote for Client Securities**

If a client chooses not to delegate proxy voting authority to ILIM, the right to vote securities is retained by the client or other designated person. In such situations, the client will generally receive proxies or other solicitations directly from the custodian or transfer agent.

### ITEM 18 Financial Information

#### A. Balance Sheet

ILIM does not require or solicit pre-payment of client fees and is not required to provide its balance sheet as part of this brochure.

#### B. Financial Conditions Likely to Impair Contractual Commitments to Clients

ILIM is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

#### C. Bankruptcy Filings

ILIM has not been the subject of a bankruptcy petition at any time during the past ten years.

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### **ITEM 19** **Registrations for State-Registered Advisers**

Not applicable.

## CONTACT US

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Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland and is registered as an investment adviser with the SEC.