

ADV Part 2A Brochure



Lloyd George Management (HK) Limited

**Suite 4004, Two Exchange Square, Central
Hong Kong, SAR**

Telephone: (852) 3468 7139

Website: <http://www.lloydgeorgeadvisory.com/>

30 March, 2017

This brochure (“Brochure”) provides information about the qualifications and business practices of Lloyd George Management (HK) Limited (“Lloyd George”). If you have any questions about the contents of this Brochure, please contact us at (852) 3468 7139. 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 Lloyd George also is available on the SEC’s website at www.adviserinfo.sec.gov.

Lloyd George is regulated and authorized by the Securities and Futures Commission in Hong Kong and is registered with the SEC in the United States. Investment adviser registration does not imply a certain level of skill or training.

Item 2 - Material Changes

No material changes have occurred since the last Brochure update on March 23, 2016. Effective January 17, 2017, the investment adviser's name was changed from Lloyd George Advisory (HK) Limited to Lloyd George Management (HK) Limited.

Item 3 - Table of Contents

Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9 – Disciplinary Information	12
Item 10 – Other Financial Industry Activities and Affiliations	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12 – Brokerage Practices	15
Item 13 – Review of Accounts	19
Item 14 – Client Referrals and Other Compensation	20
Item 15 – Custody	21
Item 16 – Investment Discretion	22
Item 17 – Voting Client Securities	23
Item 18 – Financial Information	24

Item 4 – Advisory Business

Firm Inception and Ownership Structure

Lloyd George is an investment adviser regulated and authorized by the Securities and Futures Commission in Hong Kong and registered with the SEC in the United States. Lloyd George was founded by The Honourable Robert John Daniel Lloyd George, Chairman and Chief Investment Officer, in 2014 and commenced managing assets in April 2015. Lloyd George is 100% owned by Lloyd George Advisory (Cayman) Limited, which is 90% owned by The Honourable Robert John Daniel Lloyd George.

Types of Investments Offered

Lloyd George provides discretionary investment advisory services to three pooled investment vehicles and to professional clients in accordance with the requirements of client specific investment management agreements. The Lloyd George Indian Ocean Master Fund, and its associated feeder funds as described below, were launched since the last Brochure update.

Lloyd George serves as the investment manager of the Lloyd George Indian Ocean Master Fund (“Master Fund”), and its feeder funds: the Lloyd George Indian Ocean Fund established to facilitate participation by non-U.S. persons and certain U.S. tax-exempt investors; and the Lloyd George Indian Ocean US Fund established to facilitate participation by U.S. persons and is subject to U.S. taxation (collectively the “Feeder Funds”). These funds form part of a master-feeder structure, whereby substantially all of the Feeder Funds’ investible assets will be invested in the Master Fund. Shares of the Feeder Funds are offered solely through the delivery of the Feeder Funds’ offering memorandum, which includes important information about the Fund that is not addressed in this Brochure, and other accompanying documents. The discussion of the Fund in this Brochure does not constitute an offer to sell or a solicitation of any offer to buy interests in the Fund.

Lloyd George also serves as the sub-investment manager to Bamboo Fund Asia LP, a limited partnership organized under the laws of Delaware (the “Fund”). The Fund is available to qualifying U.S. investors on a private placement pursuant to an applicable exemption from registration under the Investment Company Act of 1940 (“1940 Act”). Shares of the Fund are offered solely through the delivery of the Fund’s private placement memorandum, which includes important additional information about the Fund that is not addressed in this Brochure, and other accompanying documents. The discussion of the Fund in this Brochure does not constitute an offer to sell or a solicitation of any offer to buy interests in the Fund.

Lloyd George also serves as the sub-adviser to a series of Argos Funds, a Société d’investissement à capital variable (“SICAV”) organized under the laws of Luxembourg and qualified as an undertaking for collective investment in transferable securities in accordance with EU Directive 2009/65/EC. The Argos Funds series is not currently made available to U.S. investors. In accordance with SEC guidance, this Brochure will not address off-shore products, such as the SICAV, that are offered exclusively to non-U.S. investors. References to “pooled investment vehicles” throughout this Brochure refer to the Fund and any additional pooled

investment vehicles offered to U.S. investors to which Lloyd George may provide investment advisory services.

Lloyd George specializes in making equity or equity-related investments in companies located in emerging markets with a main focus on Asia. In addition to the above, new strategies and products may be developed as markets and businesses change, and may be offered to additional clients including pooled investment vehicles, institutions, and high net worth individuals.

Lloyd George does not provide financial planning, quantitative analysis or market timing services to its clients. Lloyd George does not participate in any wrap fee programs.

Lloyd George tailors its investment programs to the investment objectives, guidelines and any investment restrictions of its clients. Where it is appointed as the investment adviser to a pooled investment vehicle, such as the Fund, Lloyd George's client is the vehicle and not any individual investor therein. Lloyd George does not further customize or modify its investment program based on any such individual investor's needs. Individual investors in the Fund are not permitted to impose restrictions on investing in certain securities or types of securities.

Assets under Management

As of February 28, 2017, Lloyd George had assets under management of \$127 million, all of which were managed on a discretionary basis.

Item 5 – Fees and Compensation

Clients compensate Lloyd George for its advisory services based on a management fee that is calculated as a percentage of assets under management. Lloyd George does not currently charge clients a performance-based fee but reserves the right to do so, subject to providing prospective clients and investors (in the case of a pooled investment vehicle) with appropriate disclosure concerning any such fee it would charge.

Lloyd George does not maintain a basic fee schedule for investment advisory services provided to non-pooled investment vehicle clients. Fees are negotiated between Lloyd George and such clients based on the strategy and services provided, prior to the investment advisory agreement being signed. Fees are charged to such clients monthly and invoiced to the client.

Further details concerning the management fee that Lloyd George charges the Fund, including the amount of that fee, is set forth in the Fund's offering documents. Fees are paid by each investor in a pooled investment vehicle based upon the market value of the investor's interest in the vehicle. Those fees generally are not negotiable. Fees are normally paid from the assets of the pooled investment vehicle. Investors will incur brokerage and other transaction costs as described in Item 12 – Brokerage Practices.

Clients, including pooled investment vehicles, generally pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, market spreads, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments. In addition, a pooled investment vehicle, like the Fund, may be required in certain circumstances to reimburse Lloyd George or the vehicle's third party service providers for legal expenses incurred that Lloyd George deems to be necessary to protect the interests of that vehicle as a whole (e.g., extraordinary legal expenses such as those incurred in connection with litigation to protect or promote the vehicle's investment rights or obligations).

In certain circumstances, investors may be required to utilize a transition account when they are subscribing to or withdrawing from a pooled investment vehicle, such as the Fund. A transition account is a temporary account set up to effect either the introduction of new or additional subscriptions or the withdrawal of investments. Investors invested in transition accounts pay their own direct trading expenses, clearing fees, and other exchange fees and charges. Direct trading expenses include brokerage commissions, market spreads, registration and transfer fees, regulatory and governmental charges and duties, and other fees and expenses relating to investments.

Neither Lloyd George nor any of Lloyd George's supervised persons accept compensation for the sale of securities or other investment products.

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

While Lloyd George does not currently receive performance-based fees from pooled investment vehicles offered in the United States or from its professional clients, Lloyd George does receive performance-based fees from the SICAV, an off-shore pooled investment vehicle offered exclusively to non-U.S. investors. These pooled investment vehicles may have similar or identical strategies and invest in the same assets.

The simultaneous management of pooled investment vehicles that pay performance-based fees and pooled investment vehicles that only pay asset-based fees creates a conflict of interest as Lloyd George may have an incentive to favor pooled investment vehicles with the potential to receive greater fees. For instance, Lloyd George will be faced with a conflict of interest when allocating scarce investment opportunities, given the possibly greater fees from pooled investment vehicles that pay performance-based fees, as opposed to pooled investment vehicles that pay no performance-based fees. To address these types of conflicts, Lloyd George has adopted policies and procedures under which allocation decisions may not be influenced by fee arrangements and investment opportunities will be allocated in a manner that Lloyd George believes is consistent with its obligations as an investment adviser. Lloyd George's policies and procedures relating to allocation of investment opportunities are described further below.

Item 7 – Types of Clients

Lloyd George provides investment advisory services to pooled investment vehicles and to professional clients in accordance with the requirements of client specific investment management agreements. The pooled investment vehicles generally impose minimum investment requirements, such as minimum initial investments, as further specified in their offering materials. In addition, investors in the vehicles organized in the United States or that are otherwise offered to U.S. persons are generally subject to certain qualification standards, including status as “accredited investors” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 and, at least in certain cases, as “qualified purchasers” as defined in Section 2(a)(51)(A) of the 1940 Act.

Investors in pooled investment vehicles are not clients of Lloyd George on that basis. Lloyd George retains the ability to provide advisory services to separate accounts, however.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy and Analysis

Lloyd George provides discretionary investment advisory services. Currently, Lloyd George's investment strategies focus on making investments in those companies with substantial operations throughout Asia, including those countries that are considered emerging markets. Lloyd George seeks to obtain this exposure primarily through equity and equity-related investments. Although Lloyd George principally invests in Asia, Lloyd George may also invest in other geographic markets, including other emerging and developed markets.

Lloyd George's investment strategy is focused on selected economic sectors across emerging markets which, in the coming years, Lloyd George believes will enjoy higher growth than the emerging countries growth. This includes sectors such as consumer activities, franchises and staples (food, beverage, banking, financial services, tourism), high tech, information technology, internet, telecoms, utilities and certain local subsidiaries of leading international groups. Investments will be carefully selected by Lloyd George through detailed long term analysis and a combination of top down (political and economic analysis, currency risks, etc.) and bottom up (finding companies with capital protection, high dividend yield, strong cash flows) investment research.

Lloyd George has established investment guidelines which include the proportion of client assets invested in, including but not limited to, securities with particular characteristics and individual securities. Investors should be aware that there is no guarantee that Lloyd George's investment approach, techniques or strategies will be successful or profitable. Any investment in securities involves the risk of loss that investors should be prepared to bear.

Types of Investments

Lloyd George principally invests in equity securities, principally common stocks, however, Lloyd George may invest in a wide range of other equity instruments, including preferred stocks, special classes of shares available only to foreign persons, convertible preferred stocks, and convertible investment grade instruments. Lloyd George may invest in securities in the form of convertible bonds, American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs"). Investments in Chinese companies will be made through ADRs, GDRs or Hong Kong listed Chinese companies (i.e., China H shares). Lloyd George may also invest directly on other Chinese stock markets and may invest in China A Shares (including through the Shanghai Hong Kong Stock Connect) or China B Shares. In addition, Lloyd George may hold cash and cash equivalents on an ancillary basis.

Materials Risks Associated with Lloyd George's Investment Program

There are a number of material risks associated with Lloyd George's investment strategies. These include, but are not limited to, the risks summarized below. The information contained in this Brochure cannot disclose every potential risk associated with the investment strategy or all of the risks applicable to a client. Rather, it is a general description of the nature and risks of the

strategy. The material risks discussed below are qualified in their entirety by reference to risk disclosures found in the offering documents for any client that is a pooled investment vehicle. Investors in a pooled investment vehicle should carefully review the pooled investment vehicle's offering documents for additional information about risks associated with the investment strategy and the pooled investment vehicle.

- *Concentration in Asian Securities.* Lloyd George concentrates its investments in equity securities of companies located in Asian countries. Consequently, the Fund may be more volatile than funds that do not share this geographic concentration. The value of the Fund may vary in response to political and economic factors affecting companies in Asia. Securities in Asian countries are generally denominated and quoted in the local country's currency. Generally, these currencies are fully convertible and transferable based on floating exchange rates into all readily convertible currencies without administrative or legal restrictions for both non-residents and residents of the respective Asian country. Some monetary authorities have periodically been unwilling to allow certain currencies to freely fluctuate in price and may periodically and at length intervene in foreign currency markets. The value of assets measured in U.S. Dollars may be affected favorably or unfavorably by fluctuations in the value of the particular currency relative to the U.S. Dollar.
- *Developing Market Securities.* Lloyd George is investing in emerging markets, which may be subject to additional political and economic risks, while stocks can be negatively impacted by low liquidity, poor transparency and greater financial risks. Investments in securities of issuers of emerging countries are more speculative and subject to greater risk than those in securities of issuers of developed countries. Emerging markets may be volatile and illiquid and the investments of the Fund in such markets may be subject to significant delays in settlement. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in the Fund may be higher than for funds investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets. The assets of the Fund, as well as the income derived therefrom, may also be affected unfavorably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of the Fund may be subject to significant volatility. Some of these emerging markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.
- *Investment Approach.* There is no guarantee that the investment approach, techniques, or strategies utilized by Lloyd George will be successful or profitable. All investments risk the loss of capital. Furthermore, there can be no assurance that the specific trading strategies utilized will produce profitable results. Any factor that would make it difficult to execute trades, such as reduced liquidity or extreme market developments, also could be detrimental to profits.

- *Lack of Regulatory Oversight.* While the Fund may be considered similar to an investment company, the Fund is not registered as such under the 1940 Act (in reliance upon an exemption available to privately offered investment companies), and, accordingly, the provisions of the 1940 Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities held for an investment company by a custodian to be marked to show the ownership of such securities by such investment company, and regulate the relationship between an investment company and its adviser) are not applicable.
- *Market Risk.* The market value of the instruments in which the Fund 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, governmental and quasi-governmental organizations have taken a number of unprecedented actions designed to support the markets. Such conditions, events and actions may result in greater market risk.
- *Non-U.S. Securities Risk.* Non-U.S. securities may be subject to risk of loss because of more or less non-U.S. government regulation, less public information, less liquidity, greater volatility and less economic, political and social stability in the countries of domicile of the issuers of the securities and/or the jurisdictions in which these securities are traded. Loss may also result from, among other things, deteriorating economic and business conditions in other countries, including the United States, regional and global conflicts, the imposition of exchange controls, foreign taxes, sanctions, confiscations, expropriation and other government restrictions by the United States or other governments, higher transaction costs, difficulty enforcing contractual obligations or from problems in share registration, settlement or custody. In addition, the Fund will be subject to the risk that an issuer of non-U.S. sovereign debt held by the Fund or the governmental authorities that control the repayment of such debt may be unable or unwilling to repay the principal or interest when due, including as a result of levels of non-U.S. debt or currency exchange rates. Furthermore, the Fund's purchase and sale of certain non-U.S. securities may be subject to limitations or compliance with procedures imposed by foreign governments. For example, the Fund may be subject to limitations on aggregate holdings by foreign investors. Moreover, as a result of having to comply with such procedures, the Fund's ability to effect trades may be delayed, and the Fund's failure to comply with such procedures may result in failed trades, loss of voting or transfer rights or the forced sale of settled positions. These risks might be heightened when the Fund invests in emerging markets or growth markets.

Item 9 – Disciplinary Information

To Lloyd George's knowledge, neither it nor any of its management personnel have been involved in, or subject to, any disciplinary events or legal actions that are material to its advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

The Honourable Robert John Daniel Lloyd George owns 40% of Val-Q Investment Advisory Private Limited (“Val-Q”), an investment adviser registered with the Securities and Exchange Board of India. Lloyd George believes that this creates no material conflict of interest for clients based on the different activities undertaken by Lloyd George and Val-Q, the different client and investor populations Lloyd George and Val-Q currently serve and anticipate serving in the future, and the different investment strategies offered by Lloyd George and Val-Q. In turn, Val-Q’s activities are complementary in that Val-Q supplies research on Indian securities to Lloyd George.

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

Code of Ethics

Lloyd George has adopted a Code of Ethics to effectuate the purposes and objectives of Rule 204A-1 of the Investment Advisors Act of 1940. The Code of Ethics sets forth Lloyd George's business conduct in its capacity as a fiduciary for its clients and establishes standards of conduct for its supervised personnel. Among the topics covered in the Code of Ethics are: prohibitions on insider trading, resolving conflicts of interest, personal securities transactions and confidentiality of client information. Lloyd George will provide a copy of its Code of Ethics upon request and without charge. To obtain a copy of Lloyd George's Code of Ethics, please contact Lloyd George.

Participation or Interest in Client Transactions

Lloyd George acts as investment adviser to one or more pooled investment vehicles and is paid a management fee for those services. In some circumstances, it may also determine to charge a performance fee. Those fees may create incentives to maximize investment returns through pursuing investments that may increase assets or provide favorable returns in the short-term, but are not in the long-term interest of the vehicle or its investors. These conflicts are mitigated by the fact that Lloyd George has an economic incentive to attract assets by seeking to establish a favorable track record that will attract investors for the long-term and by Lloyd George's interest in maintaining its reputation as a prudent investment manager. In addition, Lloyd George's strategies currently favor long-only investments that are based on top-down and bottom-up disciplines and the pooled investment vehicles managed by Lloyd George generally offer investors the ability to redeem their interests on a periodic basis, which encourages Lloyd George to avoid decisions that deliberately favor short-term results over long-term performance.

Lloyd George will typically establish an affiliated entity to serve as the general partner or managing member of an investment vehicle. The entity will usually be wholly-owned by Lloyd George and thus will generally operate under the same incentives and constraints as Lloyd George in its role as investment adviser.

Personal Trading

Employees of Lloyd George may trade securities for their own accounts in accordance with Lloyd George's Code of Ethics and the procedures set forth therein. These procedures provide, in part, that employees, directors and officers of Lloyd George must disclose all personal transactions (excluding trades in investments in automatic investment plans or accounts over which that person has no direct influence or control) to ensure that any potential conflicts are properly managed. Lloyd George's procedures prohibit Lloyd George from favoring accounts in which it or its employees, directors or officers have a direct or indirect financial interest over the accounts of Lloyd George's clients.

Item 12 – Brokerage Practices

Brokerage Selection and Commission Issues

Lloyd George may select brokers on behalf of its clients to be used in purchasing or selling securities and for executing trades in its sole discretion. Lloyd George is not affiliated with any broker. Lloyd George selects brokers to execute all transactions although, as permitted by applicable law and described in more detail below, Lloyd George may from time to time direct a client to purchase or sell equity securities or currencies directly from or to another client as part of transactions not requiring the use of a broker.

Under SEC rules, Lloyd George is obligated to seek “best execution” on all security transactions. In selecting brokers, Lloyd George seeks the best combination of price and quality of execution services, after considering factors that may impact the transaction. These factors include the particular expertise of the broker with respect to the size or type of transaction, the commission rates charged, the nature and character of the relevant markets on which the transactions will be executed, and the broker’s execution experience, integrity, credit-worthiness, financial responsibility and operational efficiency.

To facilitate subscriptions and redemptions and to minimize liquidity risks to clients, Lloyd George may utilize program or block trades. Program and block trades involve directing a broker to trade a large number of securities at a specific point in the day (for example, at market open or close) or over the course of part or all of the trading day. The broker may also be asked to guarantee that a specific price can be obtained for the security purchases or sales (for example, the volume weighted average price of each security during the trading day, the opening price or the closing price of the security). Additional brokerage charges or increased spreads may be payable by clients to facilitate these program or block trades.

Subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) or other applicable laws, to reduce transaction costs, rebalance investment portfolios or for other reasons, Lloyd George may cause a client to enter into cross transactions directly with other clients for which Lloyd George acts as a discretionary investment manager. This normally occurs where inflows into one client account coincide with outflows from another client account for which Lloyd George also acts as a discretionary investment manager. In the event Lloyd George causes the client to purchase securities from or sell securities to another client, Lloyd George will use its best efforts to mitigate potential conflicts of interest by causing such transaction to ordinarily occur at the then prevailing market price of the applicable securities and by considering the interests of all clients. Lloyd George may use brokers to facilitate these cross transactions and/or (with respect to cross trades executed on behalf of clients) execute such cross transactions “off-exchange” without using a broker. No commissions are paid when the cross trades are executed “off exchange.”

Lloyd George does not participate in commission recapture or directed brokerage arrangements and clients are not permitted to direct Lloyd George to use or allocate commissions from any broker.

Commission cost factors include, but are not limited to, the particular expertise of the broker with respect to the size or type of transaction, the commission rates charged, the nature and character of the relevant markets on which the transactions will be executed, and the broker's execution experience, integrity, credit-worthiness, financial responsibility and operational efficiency. Lloyd George may determine to pay broker commissions or mark-ups in excess of that which another broker might have charged for effecting the same transaction in recognition of either the execution services provided by the broker or the value of the brokerage and research services provided by or through the broker. Commission rates generally are subject to periodic review.

Lloyd George is responsible for negotiating commissions paid in connection with such transactions and may select brokerage firms that provide research to Lloyd George, resulting in the payment of higher rates than those charged by other brokers if Lloyd George believes such rates are justified by the value of the research provided, or the quality or nature of the brokerage services provided.

Soft Dollar Considerations

Lloyd George may select broker-dealers that furnish Lloyd George with proprietary brokerage and research services (collectively, "brokerage and research services") that provide, in Lloyd George's view, appropriate assistance to Lloyd George in the investment decision-making process. In particular, Lloyd George may receive research (including proprietary research) that is bundled with trade execution, clearing, or settlement services provided by a particular broker-dealer. As a result, Lloyd George may pay for such brokerage and research services with client brokerage commissions. The types of brokerage and research services that Lloyd George may acquire with client brokerage commissions include: research reports on companies, industries, and securities; economic, market and financial data; access to broker-dealer analysts, corporate executives and industry experts; attendance at trade industry seminars and broker organized conferences; and services related to effecting securities transactions and functions incident thereto (such as clearance and settlement).

When Lloyd George uses client commissions to obtain brokerage and research services, Lloyd George receives a benefit because Lloyd George does not have to produce or pay for the brokerage and research services itself. As a result, and as permitted by applicable law, Lloyd George will have an incentive to select or recommend a broker-dealer based on Lloyd George's interest in receiving the brokerage and research services from that broker-dealer, rather than solely on its clients' interest in receiving the best price. However, when selecting broker-dealers that provide brokerage and research services, Lloyd George is obligated to determine in good faith that the "commissions" (as broadly defined by the SEC to include a mark-up, mark-down, commission equivalent or other fee in certain circumstances) to be paid to broker-dealers are reasonable in relation to the value of the brokerage and research services they provide to Lloyd George. The reasonableness of these commissions will be viewed in terms of the particular transactions or Lloyd George's overall responsibilities to clients over which it exercises investment discretion, even though that broker-dealer itself, or another broker-dealer, might be willing to execute the transactions at a lower commission. Accordingly, transactions will not always be executed at the lowest available price or commission and Lloyd George may cause

clients to pay commissions higher than those charged by other broker-dealers in return for brokerage and research services as described above.

Brokerage and research services may be used to service any or all clients, including clients that do not pay commissions to the broker-dealer relating to the brokerage and research service arrangements. As a result, brokerage and research services (including soft dollar benefits) may disproportionately benefit some clients relative to other clients based on the relative amount of commissions paid by the clients. For example, research that is paid for through one client's commissions may not be used in managing that client's account, but may be used in managing other accounts. In this connection, brokerage and research services obtained through commissions paid by a client or clients whose accounts are managed by a particular portfolio manager within Lloyd George may be shared freely with, and used partially or exclusively by, other portfolio management personnel within Lloyd George. Lloyd George does not attempt to allocate soft dollar benefits proportionately among clients or to track the benefits of brokerage and research services to the commissions associated with a particular accounts.

Trade Aggregation and Allocation

Lloyd George manages client accounts with similar investment styles and strategies. As a result, if an investment transaction is appropriate for more than one client, Lloyd George may attempt to aggregate trades for the accounts and perform one trade or a block trade and allocate pro-rata. Lloyd George generally allocates trades on the same business day on a pro-rata basis to all appropriate clients, subject to certain exceptions such as de minimis orders. However, pro-rata allocations may not always be feasible or in the best interest of Lloyd George's clients and Lloyd George may determine to allocate investment opportunities, either in part or in whole, using another methodology. In addition, Lloyd George also may exclude certain accounts from an allocation if the size of the allocation, if made on a pro-rata basis, would not satisfy certain minimum size thresholds established by Lloyd George or a client. Generally, trades are allocated on a pro-rata basis; however, where this is not feasible, Lloyd George monitors such allocation with the objective of fair and reasonable treatment of clients generally over time.

Lloyd George performs investment advisory services for various clients and may give advice, and take action, with respect to any of those clients which may differ from the advice given, or the timing and nature of action taken, with respect to any other client. In these circumstances, Lloyd George will attempt to allocate investment opportunities to each client on a fair and equitable basis relative to other similarly situated client accounts.

If Lloyd George determines that the purchase or sale of the same security or instrument is in the best interest of more than one client, Lloyd George may, but may in its sole discretion choose not to, combine or aggregate orders to the extent permitted by applicable law.

Lloyd George's portfolio managers are responsible for investing assets of more than one client. The securities purchased and sold by portfolio managers will generally be allocated to their clients on a trade by trade basis and according to the applicable strategy guidelines (subject to such exceptions as may be determined to be appropriate under the circumstances of a particular

trade or client restrictions), but other allocation methods may be used from time to time in Lloyd George's sole discretion.

Trade Errors

On occasion, trades may be executed on behalf of clients that are inconsistent with the trading instructions or are the result of some other error in the trading process. Such trades are known as "Trade Errors" and are deemed to have occurred when, as a result of such inconsistency or other error in the process: (i) the wrong investment is accidentally purchased or sold; (ii) the wrong quantity of an instrument is purchased or sold; (iii) a purchase is made instead of a sale or a sale is made instead of a purchase; and (iv) an investment is purchased or sold in violation of regulatory or contractual obligations. Trade Errors do not include situations that do not result in a trade settling. Lloyd George will endeavor to detect Trade Errors before settlement and correct and/or mitigate them in an expeditious manner. To the extent a Trade Error is caused by a third party, such as a broker or agent, Lloyd George will seek to recover any losses associated with the Trade Error from such third party, but may choose not to do so in its discretion and Lloyd George will not be liable for such losses, provided that such third party was selected, engaged or retained by Lloyd George in good faith.

Item 13 – Review of Accounts

Frequency of Account Reviews

Lloyd George actively monitors client portfolios for which it has discretionary management.

Investments are carefully chosen from the universe of available options which broadly reflect, in the manager's view, those available within the mandate of the client.

The investment process analyses these opportunities from both a top down and a bottom up perspective. Sectors are chosen as a result of the investment team's macro-economic research on global, regional and individual country opportunities. Individual country stock markets are assessed in terms of economic growth potential and the overall outlook for the economy. Within the countries and sectors thus identified, specific investments are chosen primarily for their fundamental investment qualities – valuation, growth prospects, management ethics and skill, financial attributes and long term outlook. Care is also taken to choose securities with the appropriate levels of liquidity, and which offer, in aggregate, the appropriate degree of diversification.

Investments are monitored on a daily basis with respect to unusual or exaggerated share price movements, corporate developments, and trading volume. The weekly Investment Committee meeting ensures that each investment held in a client portfolio is regularly challenged and justified. Similarly, the Investment Committee's views on short, mid and long term prospects are discussed and challenged with regards to currency exposures, as well as sectors and geographies.

The Investment Committee is chaired by The Honourable Robert John Daniel Lloyd George, Chairman and Chief Investment Officer, and attended by the full team of analysts, including where appropriate the firms colleagues at Val-Q, based in Mumbai, India.

Frequency of Reports to Clients

Clients and investors in the Fund will receive a monthly written report describing the view of the manager and the outlook for the client's account or the Fund, as applicable, as well as a detailed analysis of the performance of the portfolio and its current exposures.

Investors in the Fund receive written audited financial statements for the Fund on an annual basis.

Item 14 – Client Referrals and Other Compensation

Lloyd George does not receive any economic benefit from non-clients for providing investment advice or other advisory services to clients.

From time to time, Lloyd George may compensate persons other than employees of Lloyd George and its affiliates for client referrals. This compensation may be structured as either fixed or a variable remuneration based on the success of the referrals, or both.

Item 15 – Custody

Lloyd George does not hold client assets. Client assets are held by a qualified custodian appointed by each client pursuant to a separate custody agreement.

However, under the Investment Advisers Act of 1940, Lloyd George may be deemed to have constructive custody of Fund assets under certain circumstances. Regardless of whether Lloyd George does or does not have constructive custody of client assets, investors in a pooled investment vehicle, such as the Fund, will receive monthly account statements from an independent service provider (e.g., the vehicle's administrator or custodian) as well as annual audited financial statements. Investors should carefully review this information.

Item 16 – Investment Discretion

Lloyd George has discretionary authority to manage securities accounts on behalf of clients. Clients may seek to impose restrictions on how their accounts are managed, which vary based on the demands and objectives of the client. Lloyd George may agree or not agree to such restrictions in its discretion. In addition, restrictions on investments by a pooled investment vehicle are specified in the vehicle's offering documents.

Item 17 – Voting Client Securities

Lloyd George has and will accept proxy voting authority to vote client securities. This creates a potential conflict of interest for Lloyd George with respect to clients because of the possibility of us voting client securities to further its own interests at the expense of the funds' or the clients' interests. Lloyd George has adopted a Proxy Voting Policy in accordance with Rule 206(4)-6 of the Advisers Act. Lloyd George generally will not accept instructions or direction from its clients or the funds regarding how to vote proxies. In its discretion, Lloyd George may choose not to vote on a particular proxy. A copy of Lloyd George's Proxy Voting Policy is available upon request.

When Lloyd George determines it will vote a certain proxy, it will do so in a manner that it believes will be consistent with efforts to maximize the value of the investments of its clients or funds. As the decision to invest in a company normally represents confidence in the company's management, Lloyd George will typically give serious consideration to and generally support management recommendations regarding internal operations not expected to have significant economic effects. Conversely, management proposals that are likely to have significant adverse economic effects, involve management interests, or which lessens Lloyd George's confidence in the management team will be subject to greater scrutiny on a case-by-case basis, and a decision may be made to sell the stock.

Occasions may arise in which Lloyd George may be required to vote a proxy while having a conflict of interest with a client or a fund. To protect the interests of the client or the fund and avoid the creation of a conflict of interest as between them and Lloyd George, on any occasion when a proxy vote presents a conflict of interest, the Compliance Officer will present any purported or potential conflict of interest, as appropriate, for consultation on the matter and conduct a conflict analysis accordingly. The Compliance Officer shall document the matter and preserve such documentation in accordance with the Lloyd George's Record Retention Policy.

Item 18 – Financial Information

Lloyd George does not require or solicit the prepayment of fees, does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to any client and has never been the subject of a bankruptcy petition.