

## Item 1: Cover Page



This brochure provides information about the qualifications and business practices of Unigestion (UK) Limited. If you have any questions about the contents of this brochure, please contact us at Tel: +44 (0) 20 7529 5200 or E-mail: [info@Unigestion.com](mailto:info@Unigestion.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Unigestion (UK) Limited is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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[www.Unigestion.com](http://www.Unigestion.com) Company registered in England and Wales N° 3886428.

Authorised and regulated by the Financial Conduct Authority Such registration does not imply a certain level of skill or training.



## Item 2: Material Changes

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This is an annual update of the brochure

Unigestion (UK) Ltd, as registered investment adviser under the US Investment Advisers Act of 1940, has entered into a Unibanco agreement with Unigestion SA, as participating affiliate, under which it is agreed that such affiliate may contribute providing services in relation to Unigestion UK's activities in the United States. Thus, any sale of the Interests in the United States must be conducted by Unigestion UK and under, in reliance of and according to such agreement and related laws and regulations.

Unigestion (UK) Ltd has also concluded a Securities Activities and Services Agreement with Foreside Global Services LLC, SEC registered broker-dealer, and Unigestion (US) Limited in respect to the licensing of certain Unigestion UK and Unigestion US employees as Registered Representatives, and a Rule 15a-6 Chaperoning Agreement with Foreside to remain exempt from the requirement to register as a Broker Dealer and to receive Chaperoning Services for Unigestion UK employees (and eventually Unigestion SA employees via Unibanco), as Non Registered Representatives, to contact and visit US Institutional and Major US Institutional Investors in connection with the offering of shares or interests in Private Funds, under the supervision of Foreside Global Services LLC.

An Intercompany Service Agreement was signed between Unigestion UK Ltd and Unigestion US Ltd to be provided with research, due diligence and marketing assistance within the context of Unigestion UK's management and advisory activity for its advisory clients in the United States, to develop and supervise Unigestion UK's relations to existing or potential Portfolio Fund Managers in the United States, subject to relevant Unigestion US Ltd personnel associating as Registered Representatives of Foreside Global Services LLC.

The following Non-Executive Directors left Unigestion UK during the period:-

Miles O'Connor – Chairman

Christopher Sharples

The following person(s) were appointed to the Board during the period:-

Paul Wilson - Chairman

Following the acquisition of Akina AG by Unigestion (Holding) SA in 2017, this entity was re-branded as Unigestion SA, Zurich Branch in early 2018.



## Item 3: Table of Contents

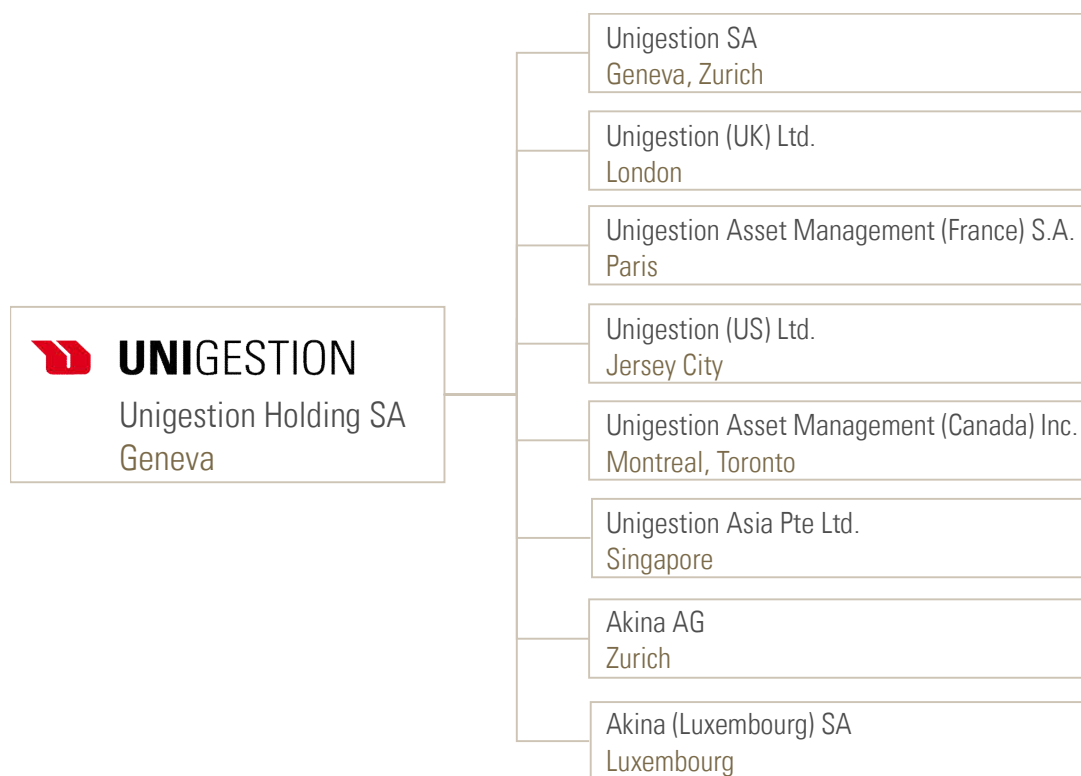
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## Item 4: Advisory Business

Unigestion (UK) Limited ("Unigestion UK") has been in business since 2000. It is a wholly owned subsidiary of Unigestion Holding SA, a private company incorporated under Swiss law and the holding company of the Unigestion group of entities (the "Unigestion Group").

Unigestion's Group structure as at 31.12.2017 is illustrated below:



The following Private Equity General Partnerships are affiliates of the Unigestion Group:

- ↳ Euro Choice II GP (Jersey) Limited
- ↳ Euro Choice III GP Limited
- ↳ Euro Choice IV GP Limited
- ↳ Euro Choice V GP Limited
- ↳ Impulse GP Limited
- ↳ WCTPT Choice Limited
- ↳ Euro Choice Secondary GP Limited
- ↳ Truffle Capital



- ↳ SunKina Choice GP Limited
- ↳ Euro Choice VI GP Limited
- ↳ Euro Choice Direct GP Limited
- ↳ Euro Choice Secondary II GP Limited
- ↳ Brae Limited
- ↳ Euro Choice VII GP Sàrl
- ↳ Euro Parallel I GP Sàrl
- ↳ Unicapital Investment (Management) SA
- ↳ Private Equity Capital Germany (GP), Sàrl
- ↳ Continuum Capital GP Limited
- ↳ Unigestion Ethos Environmental GP Limited
- ↳ Unigestion Secondary Opportunity II GP Limited
- ↳ Unigestion Secondary Opportunity III GP Sàrl
- ↳ Unigestion Direct Opportunities 2015 GP Sàrl
- ↳ Unigestion Secondary Opportunity IV GP Sàrl

Unigestion UK is an independent asset manager that seeks to maximize returns through risk management for a limited number of institutional investors, intermediary distributors and high net worth families. See Item 7 for a further discussion of Unigestion UK's types of clients. Created in 1971, the Unigestion Group is headquartered in Geneva, Switzerland, and has offices in major financial centers around the world: Zurich, London, Paris, Jersey City, Montreal, Toronto, Luxembourg and Singapore as reflected in the structure chart above.

We align our interests with those of our clients by investing our capital in the strategies we manage for them, thereby developing partnerships with them.

## Advisory Services

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Unigestion UK's single activity is asset management. We firmly believe downside protection and return asymmetry are the drivers of long-term performance for our clients. This philosophy is embedded across our four areas of expertise: Equities, Alternatives, Private Equity and Multi-Asset investing.



## Tailor Made Solutions

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With over half of our assets managed through segregated mandates, we understand our clients' objectives and design strategies tailored to their needs. We also offer fully discretionary as well as non-discretionary management.

## Assets under Management

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As at 31.12.2017, Unigestion UK managed total assets of \$4,337,100,057

↳ \$ 4,290,125,053 are managed on a discretionary basis of which \$ 48,204,000 are managed for US clients

↳ \$46,975,004 are managed on a non-discretionary basis for non-US clients only.



## Item 5: Fees and Compensation

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For the discretionary and advisory management of segregated portfolios we charge our management fee as a percentage of the assets under management. Management fees are negotiable depending on the size of the mandate. Invoices for management fees are usually issued by Unigestion UK either quarterly or six monthly in arrears and are payable by the clients within 30 days of receipt. Unigestion UK may also receive a performance-based fee from its discretionary accounts, as discussed in Item 6. In addition to the management and performance fees, clients are responsible for fees and expenses associated with their accounts including third party custodians, domiciliation, fund administration services, brokerage commissions (as applicable) and other transaction costs.

Where investors invest directly in funds managed or advised by the Unigestion Group, the management fees, transaction costs, custodian fees, brokerage fees etc. are charged at fund level as detailed in the individual fund prospectus. Management Fees typically range from 0.45% to 1.60% per annum. Unigestion UK will not bill management or performance fees on top of those billed by funds managed within the Unigestion Group. However, to the extent that Unigestion UK recommends purchase of a pooled investment vehicle as part of its investment strategy, clients should be aware that they will pay management and potentially performance fees directly on that investment, as well as fees to Unigestion UK as outlined in the investment management agreement.

In addition to the direct fund or account expenses discussed above, the clients that invest in alternatives funds and private equity funds also pay their pro rata share of the fees and expenses of the underlying funds in which they invest, including any management fees and performance based fees payable at such level. Investors should refer to the prospectus of the relevant fund for a full discussion of all fees and expenses that may be charged by the fund. Please note that the Unigestion offshore fund range may not be available for sale to US investors.



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

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### Discretionary Managed Account Mandates

For the discretionary management of segregated portfolios we may, in addition to our management fee, charge a performance fee. Performance fees are subject to negotiation with the client.

### Unigestion Non-U.S. Funds

Some offshore funds managed or advised by the Unigestion Group may, in addition to management fees, also charge a performance fee. This will be detailed in the individual fund prospectus.

Please note that the Unigestion offshore fund may not be available for sale to US investors.

### Side-By-Side Management

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Different types of accounts may have different fee arrangements. For example, one account may be charged only an asset-based fee whereas another account may be charged a performance fee in addition to an asset based fee. When such accounts are managed side by side there may be an incentive for Unigestion UK to favor the account that pays a performance-based fee over the account that pays only an asset-based fee, or to choose investments that are riskier for the accounts that pay a performance-based fee than might otherwise be chosen for accounts that pay only an asset-based fee. To minimize these potential conflicts a detailed code of ethics and a rigorous risk management process are in place. In addition, we mitigate such conflict of interest by allocating trades to each eligible client's account on a pro-rata basis, except as otherwise provided in Item 12 hereof.





## Item 7: Types of Clients

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Unigestion (UK) Limited's current clients consist of:

- ↳ Pension Funds\*
- ↳ Financial Institutions
- ↳ Corporations
- ↳ Family Offices
- ↳ Foundations & Endowments
- ↳ Multi-managers and consultants
- ↳ High Net Worth Families
- ↳ Private Investment Funds

\*including local government pension and superannuation schemes

### Discretionary and Advisory Mandates

- ↳ For the discretionary management of an equity segregated portfolio, the minimum investment amount is \$50 million.
- ↳ For the discretionary management of an alternatives segregated portfolio, the minimum investment amount is \$50 million.
- ↳ For the discretionary management of a private equity segregated portfolio, the minimum investment amount is \$75 million.
- ↳ For the discretionary management of a multi-asset portfolio, the minimum investment amount is \$10 million.

At Unigestion UK's discretion, these minimums may be waived.

### Unigestion Non-U.S. Funds

The minimum investment amounts for offshore funds managed or advised by the Unigestion Group are detailed in the individual fund prospectus.

Please note that the Unigestion non-U.S. funds may not be available for sale to US investors.



## Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

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### Investment strategies

We believe that risk management is the driver of long-term performance for our clients. Risk management lies at the heart of all of our investment strategies.

### Equities

The equity strategy is based on our belief that markets reward long-term investors who control portfolio risk. Academic research conducted in the 1990s led to the observation that equity portfolios which seek to minimize total risk achieve a higher return than market capitalization-weighted indices (R. Haugen & N. Baker (1991), called “the Minimum Variance anomaly”. Our equity strategy has been employed since 1995.

We believe that there are two options to follow in order to generate outperformance on the long term:

- ↳ identify the next cycle winners; or
- ↳ identify and avoid the biggest/most obvious unrewarded risks.

At the Unigestion Group, we apply the second methodology as we believe that there is more consistent positive impact on portfolios and a greater compounding effect. We think this investment strategy is more in line with our investors’ long term investment horizon. Based on this philosophy, we build portfolios with a return asymmetry, more participating in up markets than in down markets. Our Fundamental Analysts’ team’s main role and responsibilities are to uncover risks on a qualitative level in order to construct the list of securities to avoid. Current strategies cover Swiss, European, Global, Japanese, US, Pacific and Emerging Equity markets.

We have also launched a global multi-factor equity strategy aiming at providing sustainable returns with downside protection through active factor allocation in equities.

### Alternatives

Well-managed alternatives solutions are designed to deliver attractive risk-adjusted returns despite periods of market turbulence. Unigestion has been actively investing in alternatives for over 25 years. We propose pooled funds and design bespoke alternatives solutions tailored to the objectives of each client. The solutions seek to protect clients’ assets in difficult market conditions, to minimize drawdowns, identify liquidity issues early or invest in liquid alternatives vehicles. Our Alternatives strategy comprises CTA, absolute return and alternative risk premia funds together with segregated offer based on a core investment in alternative risk premia and satellite investments in carefully selected hedge funds, aiming at generating pure alpha while diversifying the overall portfolio. We refer to the latter as Alternatives 2.0 solution.

### Private Equity

Private equity investing enables institutional investors to diversify their portfolios. Our investment process includes three stages. Firstly, we work with our clients to confirm their investment objectives, exposure targets and governance rules. This stage is critical since the universe of Private Equity is wide. We place particular focus on portfolio construction and to on-going portfolio monitoring and risk management. The Unigestion Group commits its own capital in the closed-ended funds it manages, thereby sharing with the investors the risks and benefits of its investment decisions. The Unigestion Group has been investing in private equity since 1988. The Unigestion Group



invests across a wide range of private equity strategies: global, European, primary, secondary, direct and environmentally sustainable portfolios.

### **Multi-Asset investing**

Through its multi-assets expertise, the Unigestion Group has developed an innovative risk-based approach to asset allocation. Its goal is to enable investors to face today's multiple challenges including an ageing population and disinflation and the need to de-risk their investment portfolios in the current low interest rate environment.

Since its establishment 15 years ago, the Cross Asset Solutions team at the Unigestion Group has been a pioneer of risk-based investing. This enables the Unigestion Group to integrate a macro risk-based dynamic process with a large range of traditional and alternative risk premia.

### **Equities**

Investments in emerging markets involve a greater degree of risk and different types of risks than investments in developed countries. Among other things, emerging markets may carry the risks associated with less publicly available information, more volatile markets, less strict securities market regulation, government instability, less favorable or uncertain tax provisions, underdeveloped or non-transparent legal and judicial systems, uncertainty in the enforceability of contract rights, and a greater likelihood of severe inflation, fraud, regulatory changes, unstable currency, war and expropriation of personal property than investments in developed countries. In addition, such investment opportunities in certain emerging markets may be restricted by legal limits on investment in local securities. There may be no prohibitions or restrictions on the ability of the management to terminate existing business operations, sell or otherwise dispose of assets, or otherwise materially affect the value of the company without the consent of the company's shareholders. Also, in emerging markets, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. Finally, the legal systems in these countries may offer no effective means to seek to enforce rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

Emerging markets generally are not as efficient as those in developed countries and in some cases, a market for emerging market securities may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. Issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. The quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect actual circumstances. The issuers of some emerging market securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. Anti-dilution protection also may be very limited. Custodial expenses for a portfolio of emerging markets securities generally are higher than for a portfolio of securities of issuers based in developed countries.

### **Fund of Funds**

The risks associated with a fund/account of alternatives investment strategy and a fund/account of private equity funds ("FoFs") investment strategy can generally be categorized in one of three ways.

- Y The first category of risks is the risk of delegating control of a majority of the FoF's assets to persons other than the Unigestion Group, i.e. the fund managers. There is no way of predicting how the underlying managers will make investments or whether they will act in accordance with any disclosure documents or descriptive materials given by them to the Unigestion Group and/or the FoF. The Unigestion Group's ability to monitor and control the FoF's investments may be less than if Unigestion uses a direct investment strategy. The Unigestion Group may



not always be provided with detailed information regarding all the investments made by the underlying funds because some information may be considered proprietary information by the underlying manager of the underlying funds. At any given time, the FoF may not know the composition of underlying managers' portfolios with respect to the degrees of hedged or directional positions, or the extent of concentration risk or exposure to specific markets. In addition, the FoF Manager may not learn of significant structural events, such as personnel changes, major asset redemptions or substantial capital growth, until after the fact. This lack of access to information may make it more difficult for the Unigestion Group to successfully allocate the FoF's assets among the underlying funds and evaluate the underlying managers of the underlying funds.

Investment decisions made by the underlying managers of underlying funds are independent of each other. For instance, one underlying manager may buy shares of an issuer while shares of the same issuer are being sold by another underlying manager at the same time. Consequently, the FoF could indirectly incur certain transaction costs without accomplishing any net investment result. Overall, there can be no guarantee that each underlying manager will perform and continue to perform accurately and in good faith, and the Unigestion Group has no ability to proactively determine whether the stated objective of such underlying manager is being pursued accurately and in good faith.

There is always the risk that an underlying manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct. A FoF's valuations will be derived from the valuations provided by the underlying funds with which it invests. If such valuations are inaccurate for any reason, the FoF's valuations will also be inaccurate.

Underlying funds generally are permitted to redeem their interests in-kind. Thus, upon a FoF's redemption of all or a portion of its interest in an underlying fund, the FoF may receive securities that are illiquid or difficult to value.

- ⌋ The second category of risks relate to the fact that this strategy significantly increases the fees and expenses payable by the FoF since the underlying managers typically charge their own fees and expenses. An underlying manager with positive performance may receive compensation from the FoF even if the FoF's overall investment return is negative.
- ⌋ In addition to the fund of funds structural risks mentioned above, each underlying fund will utilize a variety of strategies and investment techniques. Private equity investments will likely, at any given time, include securities and other financial instruments or obligations which are not publicly traded, very thinly traded or for which no market exists or which are restricted as to their transferability under applicable securities laws. These investments are generally less liquid than other types of securities.

## **Alternatives**

Some of the investment funds in which the assets are allocated may be subject to legal, regulatory or market restrictions on transferring or selling securities, for which no liquid market may temporarily exist. The sale of restricted or illiquid securities often requires more time and can result in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. For this reason, our FoFs may not be able to readily dispose of such illiquid funds and, in some cases, may be contractually prohibited from disposing of such investments for a specific period of time. An investment in any of our alternatives funds is suitable only for certain investors who do not require immediate liquidity for their investments.



To mitigate these risks, we use a tool to look through our investments in fund managers into the underlying assets. We are therefore in the position to better stress test our portfolios and assess the risks, be it market, volatility or liquidity.

Further information relating to the liquidity and valuation risks of our alternatives funds can be found in the individual fund's prospectus.

## **Private Equity**

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in private equity funds. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in private equity funds. Rather, the following are only certain risks to which a fund is subject and that prospective investors should discuss in detail with their professional advisors. An investment in private equity funds will involve a significant risk for a number of reasons including the following:

- ↘ The value of any investment can go down as well as up;
- ↘ Investments in unquoted companies are intrinsically riskier than in quoted companies as the unquoted companies may be smaller, more vulnerable to changes in markets and technology and dependent on the skills and commitment of a small management team;
- ↘ Investments in pooled investment vehicles and unquoted companies can be difficult to realize. These pooled investment vehicles may also require a significant period to invest new capital. Many Investments will be highly illiquid, and there can be no assurance that a fund will be able to realize cash from such investments in a timely manner (if at all). In addition, it may be difficult to obtain reliable information about the value or the extent of the risk involved with the investments;
- ↘ Commitments in a fund are not freely transferable and no market for such Commitments currently exists, nor is one expected to develop;
- ↘ Investors should have the financial ability and willingness to accept the risks and lack of liquidity associated with an investment in a partnership of the type described herein;
- ↘ Most, if not all, of the investments will be highly illiquid, and there can be no assurance that a fund will be able to realize such investments in a timely manner. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by a fund. It is anticipated that almost all of the investments of the pooled investment vehicles in which a fund is invested will be subject to restrictions on sale by such pooled investment vehicle because they were acquired from the issuer in "private placement" transactions. In addition, investments by their nature are often difficult or time consuming to liquidate;
- ↘ Some investments may be in currencies other than in USD and therefore their value may vary with the relevant exchange rate;
- ↘ Past performance of similar investments is not necessarily a guide to the future performance of a fund's investments;
- ↘ A fund will be managed by a general partner. Limited Partners will not be able to make investment or other decisions on behalf of the fund or have any role in the fund's transactions;
- ↘ The success of the fund depends on the ability of a general partner and an advisor to identify, select, effect and realize appropriate investments; there is no guarantee that suitable investments will be or can be acquired or that investments will be successful. In addition, the availability of secondary investments, and the ability of a general



partner or an advisor to locate secondary investments, is not clear because there is no established market for secondary investments;

- The fund's success will depend in substantial part upon the skill and expertise of the investment professionals employed by a general partner and an advisor and there can be no assurance that such individuals will continue to be employed by such entities or to function on behalf of the fund;
- The Limited Partners will not receive any financial information issued by prospective portfolio companies which is available to a general partner prior to the fund making an investment;
- Leveraged transactions, such as those in which a fund may engage, are, by their own nature, subject to a high degree of financial risk;
- The fund, as a minority investor, might not always be in a position to protect its interests effectively;
- Changes in legal, tax and regulatory regimes may occur during the life of the fund which may have an adverse effect on it or its investments;
- No assurances can be given that the target returns of the fund will be achieved;
- There may be a significant period of time before the fund has invested all of the Commitments;
- Unquoted investments can take several years to mature. As a result, while long-term performance of the fund may be satisfactory, performance in the early years may be poor;
- Investors may be required to indemnify a general partner, an advisor and related parties for liabilities, costs and expenses arising in connection with services to the fund;
- The fund may be competing for investments with other parties. It is possible that competition for appropriate investment opportunities may increase, which may reduce the number of opportunities available and/or adversely effect the terms upon which such investments can be made;
- The fund may participate in a limited number of investments so that returns might be adversely affected by the poor performance of even a single investment;
- The directors and officers of a general partner and/or an advisor may have either a direct or indirect interest in the Founder Partner from time to time. The fact that the Founder Partner's carried interest is based on the performance of a fund may create an incentive for a general partner to make investments that are more speculative than would be the case otherwise;
- Commitments have not been and will not be registered under the United States Securities Act of 1933, as amended, or any other applicable securities laws; and the fund is not registered under the United States Investment Company Act of 1940, as amended. Investors, therefore, will not be accorded the protective measures provided by such legislation;
- While it is intended to structure the fund's investments in a manner that is intended to achieve the fund's investment objectives, there can be no guarantee that the structure of any investment will be tax efficient for a particular investor or that any particular tax result will be achieved;
- There may be potential for conflicts of interest. Some of the more important potential conflicts of interest are set out in Section 9;



- ⧏ If an Investor fails to meet a drawdown notice, a general partner may pursue remedies that will be set out in the fund Agreement;
- ⧏ A general partner may recall distributions made to any Limited Partner to the extent that distributions made to a fund by an entity in which the fund holds Investments are recalled by such entity. A general partner also may recall distributions in order to satisfy certain indemnification and legal and regulatory obligations of the fund as defined in the fund Agreement;
- ⧏ The fund will utilize valuations of a fund's investments in pooled investment vehicles provided by the advisors to these vehicles, without any means of independent verification. These advisors may face a conflict of interest in valuing securities held by such pooled investment vehicle because the values assigned may affect the compensation of those advisors or their ability to raise further funds;
- ⧏ In addition to the fees paid to a general partner, the investment managers of entities in which a fund holds Investments also take substantial management fees and carried interests, as do some additional local or joint venture partners in investments made by some of these entities;
- ⧏ The fund will rely on the expertise and skill of the managers of the entities in which it holds an Investment, and will generally have no ability to participate in the management and control of those funds. A general partner will have no control over investment decisions or the timing of capital calls, distributions or reporting from such entities. Investors' tax positions, among other things, may be prejudiced by untimely reporting brought about by managers of such entities;
- ⧏ The Fund may acquire interests in pooled investment vehicles that make substantial investments in non-performing or other troubled assets which involve a high degree of financial risk and are experiencing or are expected to experience severe financial difficulties, which may never be overcome. The investments in which such investment vehicles have invested in certain instances may have been originated by financial institutions that are insolvent, in serious financial difficulty or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution or the standards by which such investments are being serviced or operated may be adversely affected;
- ⧏ Commitments paid to the fund may be invested in short-term instruments pending participation in investments. During such interim periods these short-term investments may produce lower returns for Investors in the fund than the returns earned by direct investments in the investments for the same period; and
- ⧏ The fund may acquire interests in pooled investment vehicles that make venture capital investments or may make direct investments in such companies. Such investments are made at an early point in a company's life cycle, and the success of such investments may depend on factors that are subject to a high degree of risk and/or are outside the control of the pooled investment vehicle. Such factors include the ability of a company to realize gains through a successful public offering, dependence on key individuals (who may own intellectual property critical to a company's success), political or economic developments that impact the prospects of a company or its technology, patent office or regulatory approvals that are required to successfully bring products to market, and the ability of a company to successfully secure and protect its intellectual property.
- ⧏ In the cases where the fund acquires an interest in a private equity fund in a secondary transaction, the fund may acquire contingent liabilities of the seller of the interest. More specifically, where the seller has received distributions from the relevant private equity fund and, subsequently, that private equity fund recalls one or more of these distributions, the fund (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return monies equivalent to such distributions to the private equity fund. While the fund may, in turn, make a claim against the seller for any such monies so paid to the private equity fund, there can be no assurances that the fund would prevail on such claim.



- › In certain cases, the fund expects to have the opportunity to acquire a portfolio of investment funds from a seller on an “all or nothing” basis. Certain of the investment funds in the portfolio may be less attractive than others, and certain of the sponsors of such investment funds may be more familiar to the fund than others, or may be more experienced or highly regarded than others. In such cases, it may not be possible for the fund to carve out from such purchases those investments which a general partner considers (for commercial, tax, legal or other reasons) less attractive. For these reasons, a general partner will be constrained in its ability to narrow the fund’s investment focus to meet the tailored tax, regulatory and investment policy restrictions of particular investors.
- › A general partner expects to conduct extensive due diligence on prospective pooled investment vehicles and portfolio companies without any assurance that the fund will be successful in purchasing them. Securities of such pooled investment vehicles, and in particular private companies, typically include limitations on transfers and are often subject to rights of first refusal. There is no assurance that the outstanding interests in the pooled investment vehicles and/or companies that a general partner deems to be the most promising can be transferred to the fund or can be transferred without triggering a right of first refusal on the part of the existing equity holders of that pooled investment vehicle or portfolio company and the fund may be precluded from buying the desired amount of such interests. In addition, the type and scope of due diligence performed may be limited by restrictions imposed by the individual pooled investment vehicle and/or portfolio companies and therefore a general partner may be forced to make an investment decision based on limited information. The fund may be hindered in executing its investment strategy due to exercise of rights of first refusal or limitations imposed on the due diligence process.
- › Investments by the underlying funds may be subject to economic, political, regulatory and social risks, which may affect the liquidity of such investments. Such investments may be in certain countries whose governments have exercised and continue to exercise substantial influence over many aspects of the private sector. The availability of investment opportunities for the underlying funds depends in part on governments continuing to liberalize their policies regarding foreign investment and to further encourage private sector initiatives. In certain jurisdictions, foreign ownership of certain types of assets may be restricted, requiring the underlying funds to share the applicable investment with local third-party partners or investors, and there may be significant local land use and permit restrictions, local taxes and other transaction costs which adversely affect the returns sought by the underlying funds.

Some of the underlying funds may not have, and may not intend to obtain, political risk insurance. Accordingly, government actions in the future could have a significant effect on economic actions in such countries, which could affect certain private sector companies and the prices and yields of investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, political, economic or social instability or other economic or political developments could adversely affect the assets of the underlying funds that are held in particular countries.

Political changes or a deterioration of a particular country’s domestic economy or balance of trade may indirectly affect an underlying fund’s investment in a particular asset in such country. Moreover, the investments by underlying funds could be adversely affected by changes in the general economic climate or the economic factors affecting certain industries, changes in tax law or specific developments within such industries or interest rate movements.

## Investment decisions

We do not rely on star managers: our investment decisions are made collegially amongst portfolio managers for direct investments and the investment committees are ultimately responsible for the investment decisions in the context of fund investments.





## Risk of Loss

All investments involve risk of possible loss, including the loss of principal, a reduction in earnings and the loss of future earnings. Each client should be prepared to bear the risk of loss. The market value of a portfolio can decline as a result of several different exogenous factors, including changing interest rates, macroeconomic market conditions, specific competitive industry conditions, changes in the perception of stocks in the portfolio, and changes in the perception of the manager by the market. Other specific risks related to investing internationally are the risks of foreign exchange, political and economic risks in other countries, regulatory risks, liquidity concerns and risks relating to any fiscal differences between jurisdictions. Emerging market risks can be greater in magnitude in some, but not all, occasions. Small cap companies may present a greater risk than large cap companies in some circumstances.

Prospective investors should give careful consideration to all the factors in evaluating the merits and suitability of an investment, including whether such an investment is suitable in light of their personal investment goals and financial condition.



## Item 9: Disciplinary Information

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Not applicable – There are no legal or disciplinary events relating to Unigestion UK or any of its advisory affiliates that are material to a client's or prospective client's evaluation of Unigestion UK's advisory business or the integrity of Unigestion UK's management.



## Item 10: Other Financial Industry Activities and Affiliations

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Unigestion UK sister company, Unigestion SA, represents the head office of the Unigestion Group and is based in Geneva. An outsourcing agreement is in place between Unigestion UK and Unigestion SA which allows Unigestion UK to delegate certain functions to Unigestion SA, such as IT and head office functions as well as the discretionary management of institutional mandates. Unigestion UK advises its sister company, Unigestion (Asia) Pte Ltd, on a number of accounts managed by Unigestion (Asia) Pte Ltd on a discretionary basis.

Unigestion (UK) Ltd, as registered investment adviser under the US Investment Advisers Act of 1940, has entered into a Unibanco agreement with Unigestion SA, as participating affiliate, under which it is agreed that such affiliate may contribute providing services in relation to Unigestion UK's activities in the United States. Thus, any sale of the Interests in the United States must be conducted by Unigestion UK and under, in reliance of and according to such agreement and related laws and regulations.

Unigestion (UK) Ltd has also concluded a Securities Activities and Services Agreement with Foreside Global Services LLC, SEC registered broker-dealer, and Unigestion (US) Limited in respect to the licensing of certain Unigestion UK and Unigestion US employees as Registered Representatives, and a Rule 15a-6 Chaperoning Agreement with Foreside to remain exempt from the requirement to register as a Broker Dealer and to receive Chaperoning Services for Unigestion UK employees (and eventually Unigestion SA employees via Unibanco), as Non Registered Representatives, to contact and visit US Institutional and Major US Institutional Investors in connection with the offering of shares or interests in Private Funds, under the supervision of Foreside Global Services LLC.

An Intercompany Service Agreement was signed between Unigestion UK Ltd and Unigestion US Ltd to be provided with research, due diligence and marketing assistance within the context of Unigestion UK's management and advisory activity for its advisory clients in the United States, to develop and supervise Unigestion UK's relations to existing or potential Portfolio Fund Managers in the United States, subject to relevant Unigestion US Ltd personnel associating as Registered Representatives of Foreside Global Services LLC.



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

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Unigestion UK's Code of Ethics adopted pursuant to Advisers Act rule 204-1 is embedded in its Compliance Manual. A copy of our Code of Ethics will be provided to any client or prospective client upon request. Our Code outlines, in detail, the standards of conduct expected by our employees and includes guidelines and limitations on personal trading, giving and accepting gifts, and engaging in outside business activities. The Code of Ethics states that all employees have an obligation of loyalty towards Unigestion UK. Employees may not use their professional position directly or indirectly for personal purposes by taking unfair advantage of any confidential or inside information or by profiting in any other way from their professional position.

Unigestion UK's Personal Account Dealing rules require all staff and directors to seek prior approval from Compliance before they can enter into a personal account transaction in securities. If any potential conflict of interest arises, such transactions would not be authorized. In addition, the Code requires employees to furnish personal securities transaction reports on a quarterly basis and holdings reports on an annual basis. Without exception, our employees are prohibited from using inside information to trade in personal accounts or on behalf of our clients.

Unigestion UK may invest the asset managed by it under a discretionary Cross Asset Solutions mandate in in-house products managed by it or an affiliate. To avoid any potential conflict of interest arising any assets invested in in-house products are excluded from the asset under management of an account for the purpose of calculating the management fee payable to Unigestion UK by the client.



## Item 12: Brokerage Practices

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Please note that this section is applicable to market traded instruments only.

In order to provide our clients with the best possible price and service, we pay particular attention to our choice of counterparty. All new counterparties have to be approved by the Risk Committee which is held on a monthly basis. Our Trading and Risk Management teams assess counterparties before they are approved for use and periodically review the credit ratings and credit default swap spread (when available) of all the counterparties we use. The following criteria are considered when determining whether a broker is qualified to provide best execution:

- trading capabilities (broker's ability to handle large or difficult trades);
- access to liquidity / blocks
- ability to commit capital;
- the ability to minimize market impact;
- commissions;
- financial strength and stability;
- back office efficiency / settlement process;
- the client mandate and client restrictions.

Unigestion maintains competition by regularly introducing new counterparties. Brokers, with whom we actively trade, are assessed yearly during annual broker reviews.

Unigestion does not enter into any soft dollar arrangements and the cost of execution and the cost of research are kept strictly separate. Unigestion pays for all external research from its own Profit and Loss account and has entered into written agreements with all research providers it has approved for use.



## Aggregation

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### Direct investments

The broker aggregates the purchase or sale of securities when we trade the same security for several clients' accounts at the same time to the extent that the broker can and to the extent we direct them to do so. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution.

Normally a pro-rata allocation is applied in order to treat clients fairly and equitably and achieve best execution. In case the allocation is not done on a pro-rata basis, we store in a file the date, account, broker and the reason for this specific allocation. We may especially increase or decrease the amount of securities allocated to an account if necessary for cash management reasons or to avoid small tickets or odd-lots in a particular security.

We receive no additional compensation for aggregation. Each client will participate in an aggregated order at the average price for all of the transactions in that security on any given day, with transaction costs shared pro rata based on participation.

### Funds of alternatives Funds

We aggregate the purchase or sale of underlying alternatives funds when we trade the same funds for several accounts at the same time. In this case, we apply a pro-rata allocation in order to treat clients fairly and equitably.

Since capacity in underlying alternatives funds could be limited, we will endeavor to allocate available capacity on a basis we believe to be fair and equitable. No portfolio will receive preferential treatment over any other. We will take steps to ensure that no portfolio will be disadvantaged by the aggregation, placement or allocation of capacity. Except when inconsistent with a fund's or account's investment advisory agreement, pro rata allocation will generally be used to allocate available capacity. Our trade allocation policy can be summarized as follows:

- ✧ Identify all accounts which could have an interest in purchasing a given fund (fund already in the portfolio, fund not in the portfolio but in line with the strategy of the account, new tactical opportunity, etc.)
- ✧ Filter this list to determine which accounts are able to invest. Accounts could be excluded at this stage because of diversification/concentration constraints, allocation to this fund too large, no cash available to invest, does not match some of the objectives of the account. All decisions are documented.
- ✧ Compute the pro rata allocation to each account.
- ✧ Use additional filters to determine the final pro rata allocation. Accounts could be excluded at this stage if the proposed allocation is too small or because transaction costs are too high. All decisions are documented.
- ✧ Validation by the Investment Committee.

### Funds of Private Equity Funds

We have documented rules for protecting the interests of our investors and of the company when splitting allocations to over-subscribed funds between our different mandates and funds.

These rules are designed so as not to favour any investors. On the contrary, they rules offer maximum protection and transparency to all our investors, independent of the size or the age of their mandate with us.



- ↘ For each new investment opportunity, we determine which mandates or funds will invest, and for which target amount, taking into account the specific investment strategy, risk tolerance and return requirements of each mandate or fund, as defined with our investors;
- ↘ The target amounts are submitted to the Investment Committee for approval before we know whether we will obtain the full required allocation. Detailed minutes of the Investment Committee discussions are kept and made available to investors upon request;
- ↘ Should the total available allocation finally be lower than the sum of all target amounts, it is split pro rata to target amounts between the mandate or funds which have such target amounts;
- ↘ If a pro rata amount is too small to have a meaningful impact on a specific mandate or fund, we may disregard it and carry the amount over to other programmes, pro rata to target amounts. This protects small mandates that cannot set high targeted amounts in comparison with bigger accounts but will still be granted an allocation.

### Managed accounts within Multi-Asset investing

Transactions for our client segregated mandates have to be individually instructed to each client's custodian who is responsible for executing the transaction. Unigestion UK is therefore not able to aggregate orders and these clients will not benefit from any potential price advantage that an aggregated, larger order might achieve. As the result of this directed brokerage arrangement, Unigestion UK may not be able to achieve best execution of transactions for these clients.



## Item 13: Review of Accounts

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All client accounts are reviewed on a regular basis. The accounts are grouped by investment strategy and reviewed by each corresponding investment team. The whole review process is overseen by an investment committee for each investment strategy and audited by our Audit and Risk Committee on a monthly basis. Accounts are monitored on a daily and weekly basis by the relevant investment teams, and reviewed in a formal process no less frequently than monthly. More frequent reviews are conducted in turbulent markets or when unusual market or industry events may trigger an extra review or when there has been a change in investment strategy.

Unigestion UK provides its clients with a high level of transparency, risk management and reporting. Each strategy's investment team produces regular written reports for clients on a monthly, quarterly, semi annual and annual basis, according to the client needs, depending on the investment strategy under review and the level of services agreed upon. Additional ad hoc client reporting is produced at the client's request and in unusual circumstances if considered necessary. The reports typically contain details on the market value of assets and funds and on the account activity for the relevant period, including an explanation of decisions taken.





## Item 14: Client Referrals and Other Compensation

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The Unigestion Group and Unigestion UK may enter into arrangements with third party placement agents for client referrals. Any compensation paid will be borne by the Unigestion Group or Unigestion UK out of the management fee and/or performance fee it receives from the relevant client and the net cost to clients will not be impacted.

Where required, the arrangements between Unigestion UK and the placement agents will comply with Rule 206(4)-3 under the Investment Advisers Act of 1940.



## Item 15: Custody

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Neither Unigestion UK nor its affiliates maintains custody of client funds or securities.



## Item 16: Investment Discretion

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The Unigestion Group and Unigestion UK accept discretionary authority to manage assets on behalf of its discretionary clients. The discretionary authority is limited to managing the investments within the account and does not include the authority to obtain possession of them. The client gives its custodian bank the authority to accept investment instructions from the Unigestion Group or Unigestion UK based on its authorized signatory list provided to the custodian bank. As discussed in Item 4, managed account clients may impose limitations and restrictions on Unigestion UK's discretionary authority.



## Item 17: Voting Client Securities

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Pursuant to Rule 206(4)-6 of the Advisers Act, SEC registered investment advisers that exercise voting authority with respect to clients' securities are required to adopt and implement policies and procedures for voting proxies, disclose those policies and procedures to their clients and disclose how clients may obtain information about how the adviser has voted proxies.

If Unigestion UK accepts authority to vote on client securities, proxy voting is outsourced to ISS, a third-party proxy voting specialist firm. Votes are cast based on ISS's International Sustainable Proxy Voting policy.

Please note that this proxy voting service currently only applies to our investment in equities. Such clients cannot direct ISS's vote in a particular solicitation.

Clients may obtain information about how their securities have been voted or obtain a copy of the ISS proxy voting policies and procedures on request.

Clients that have not delegated authority to Unigestion UK to vote proxies should receive proxies or other solicitations directly from their custodian.



## Item 18: Financial Information

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There is no financial information that is reasonably likely to impair Unigestion UK's ability to meet contractual commitments to its clients. We do not require or solicit prepayment of fees from our clients.