

# Halkin Asset Management Limited

## Part 2A of Form ADV

### The Brochure

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This brochure provides information about the qualifications and business practices of Halkin Asset Management Limited ("Halkin" or the "Company"). If you have any questions about the contents of this brochure, please contact us at +44 (0)20 7959 3500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## **Material Changes**

In April 2016, Halkin filed its first Brochure. Since the last annual update Halkin's ownership has been changed. Ian Hannam is now a majority shareholder with 51% ownership and the rest is owned by the senior management. Halkin has also re-introduced its Corporate Advisory business. It is advising Professional clients and eligible counterparties on capital raising, corporate restructuring, merger & acquisitions etc. This Brochure compiled by Halkin to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety. In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's Brochure and that may be important to them.

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## Advisory Business

Halkin Asset Management Limited was formed as a private limited liability company under the laws of England and Wales in November 2009. Halkin is a multi-manager platform based in London, UK and is authorized by the Financial Conduct Authority (FCA) as an Alternative Investment Fund Manager (AIFM) in the UK.

Halkin is fully owned by Ian Hannam and the senior management of Halkin. As of March 2017, Halkin had approximately US\$87mm in assets under management on a discretionary basis.

Halkin provides investment advisory services to clients on a discretionary basis. Through Halkin's varied range of alternative investment products and strong operational infrastructure, investors can select funds offering variable sources of alpha, from long/short equity to systematic strategies. At present, Halkin provides discretionary portfolio management and investment services to pooled investment vehicles, namely Halkin Wittenberg European Small & Mid Cap Fund - A Sub-Fund of Halkin Global SICAV – SIF ("SICAV Fund"), Halkin Strongeagle Mozambique Fund ("PE Fund"), and NAU Multi Strategy Fund Inc. ("Multi-Strat Fund") (together, the "Funds"), as defined in Item 7, which are domiciled and regulated in Luxembourg, Luxembourg and Cayman Islands, respectively. (together, the "Funds"), as defined in Item 7, which are domiciled and regulated in Luxembourg. Halkin is responsible for implementing the day-to-day investment policy of the respective funds' assets and managing the day-to-day transactions connected with asset management as well as other related services, subject to the investment policy principles and the investment restrictions of the respective fund as described in the relevant offering documents of the relevant fund (the "Prospectus") and to any legal investment restrictions. The Multi-Strat Fund is currently in wind-down mode.

In addition to the management of the funds listed above, Halkin may also offer management and advisory services to:

- Private investment funds and other non-SEC registered investment vehicles (Other Pooled Investment Vehicles).
- separate accounts for institutional clients (Institutional Separate Accounts); and
- separate accounts for private clients (Private Client Separate Accounts);

## Fees and Compensation

### SICAV Fund

The Fund charges management and performance fees based on class, as outline below:

#### Classes A1/B1/C1

Management Fee: Annual fee of 1.75% out of the net assets under management payable quarterly  
Performance Fee: 17.5%

#### Classes A2/B2/C2

Management Fee: Annual fee of 1.5% out of the net assets under management payable quarterly  
Performance Fee: 15%

#### Classes A3/B3/C3

Management Fee: Annual fee of 1% out of the net assets under management payable quarterly

Performance Fee: 10%

The Fund shall pay out of the assets of the relevant Sub-Fund all expenses payable by the Sub-Fund which shall include but not be limited to:

- a) Fees payable to and reasonable disbursements and out-of-pocket expenses incurred by the Fund, the AIFM, the Custodian, the Administrative Agent, the paying agent, the registrar and transfer agent, as applicable;
- b) All taxes which may be due on the assets and the income of the Sub-Fund (in particular, the “taxe d’abonnement” and any stamp duties payable);
- c) Usual banking fees due on transactions involving securities held in the Sub-Fund;
- d) Legal expenses incurred by the Administrative Agent, and the Custodian while acting in the interests of the Shareholders;
- e) The cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of, or claim for damage or other relief asserted against the Fund and/or the Directors, the AIFM, the Custodian, the Administrative Agent, or other agents of the Fund for violation of any law or failure to comply with their respective obligations under the Articles of Association or otherwise with respect to the Fund;
- f) The costs and expenses of the preparation and printing of written confirmations of Shares;
- g) the costs and expenses of preparing and/or filing and printing of all other documents concerning the Fund, including registration statements and Offering Document and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares of the Fund;
- h) the costs and expenses of preparing, in such languages as are necessary for the benefit of the Shareholders, including the beneficial holders of the Shares, and distributing annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities;
- i) the cost of accounting, bookkeeping and calculating the Net Asset Value;
- j) the cost of preparing and distributing public notices to the Shareholders;
- k) lawyers’ and auditor’s fees; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Shares.

All recurring charges will be charged first against income, then against capital gains and then against assets.

#### *Formation and launching expenses of the Fund*

The costs and expenses of the formation of the Fund and the initial issue of its Shares will be borne by the Fund and amortised over a period not exceeding 5 years from the formation of the Fund and in such amounts in each year as determined by the Fund on an equitable basis.

#### *Formation and launching expenses of additional Sub-Funds*

The costs and expenses incurred in connection with the creation of a new Sub-Fund shall be written off over a period not exceeding five (5) years against the assets of such Sub-Fund only and in such amounts each year as determined by the Fund on an equitable basis. The newly created Sub-Fund shall not bear a pro-rata of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Fund.

#### *Fees of General Partner*

Unless otherwise provided in the appendices below, the General Partner is entitled to a fee payable at the end of each month.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the General Partner will be borne by the relevant Sub-Fund.

*Fees of the Investment Manager*

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Investment Manager will be borne by the relevant Sub-Fund.

*Fees for the Investment Advisor*

The Investment Advisor is entitled to receive a fee taken out of the Investment Management Fees

*Fees for the Administrative and Domiciliary Agent*

The Administrative and Domiciliary Agent, in consideration for the administration and accounting services is entitled to an administration fee out of the Assets of the relevant Sub-Fund payable at the end of each month.

Furthermore, the Administrative Agent may receive customary fees for the domiciliary and corporate services rendered to the Fund. Any reasonable disbursements and out-of-pocket expenses incurred by the Administrative Agent.

The fees payable to the Administrative and Domiciliary Agent shall not, in aggregate, exceed 0.12% of the net asset value of the Fund.

*Fees of the Custodian, paying agent, registrar and transfer agent*

The Fund is entitled to pay out of the assets of the relevant Sub-Fund all fees and expenses payable to its Custodian and its correspondents, paying agents, registrar and transfer agent and their sub-contractors.

The PE Fund

The Fund will pay throughout its term at the beginning of each calendar quarter a management fee of an amount equal to:

- a) during the Commitment Period, 2% per annum of the Aggregate Commitments; and
- b) after the end of the Commitment Period, 2% per annum of the Invested Capital.

*Transaction Revenues – Management Fees set off*

Any Transaction Revenues will be first applied to offset any unconsummated deal costs, which would otherwise be borne by the PE Fund and then 100% of any excess Transaction Revenues will be applied to reduce the Management Fee otherwise payable. To the extent that offsets in a Fiscal Year exceed the Management Fee payable in that annual period, such excess will be carried over to be applied against the Management Fee in any later period(s) during which the amount of the Management Fee exceeds the offsets arising in that later annual period. Any excess offsets carried forward, which have not been set off against the Management Fee prior to the termination of the Fund, will be paid to the Investors in the context of the liquidation procedure.

*Other Fund Fees and Expenses*

The Fund will pay out of its own assets all fees, costs and expenses (directly or indirectly through, e.g., Holding Companies) incurred by it (the Expenses), which include without limitation:

- a) fees payable to the Depositary, the Administrative Agent and any Service Provider;
- b) any fees, costs and expenses incurred in connection with making any filings with any government body or regulatory authority as well as statutory or regulatory fees, if any, levied against or in respect of the Fund together with the costs incurred in preparing any submission required by any tax, statutory or regulatory authority;
- c) reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings of the Managers or directors of any Holding Company;
- d) remuneration of the members of such Advisory Board and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with Advisory Board;
- e) any costs and expenses relating to investor related activity, including the drafting, printing and mailing of reports and information to Investors;
- f) any expenses incurred in connection with legal proceedings involving the Fund;
- g) all costs and expenses disbursed in connection with the day-to-day management of the Fund and the operations of the Fund's Investments, including fees and expenses in connection with Investments and divestments which will include, for the avoidance of doubt, expenses incurred in connection with Unconsummated Transactions (to the extent not paid for or reimbursed by another person) and all costs and expenses attributable to the acquisition, ownership, holding, development, monitoring and realisation or proposed realisation of Investments (including, without limitation, all incorporation, brokerage, custody and hedging costs, all legal, accounting, consulting, financial, advisory, appraisals, due diligence, borrowing costs and other professional fees, transfer taxes, VAT related to the acquisition of Investments and all other taxes and tax reporting costs, duties, fees and legal, accounting and valuation fees, filing fees and similar costs), services charges, as well as any other costs and expenses relating to the management/operation of the Investments, expenses relating to financing, hedging or sale of Investments, taxes, fees of auditors, appraisers and counsels (including, but not limited to legal counsels), insurance and all professional fees incurred in connection with the acquisition, ownership, holding, management, administration, development and realisation of the Investments;
- h) all costs and expenses related to or arising out of the exercise by the General Partner of any and all voting, conversion or other rights attaching to Investments, unless reimbursed by another person;
- i) the travel costs, other costs fees and other expenses related to the investigation of Investment opportunities (whether or not completed), costs of developing and evaluating potential Investments for the Fund, (including those which do not proceed to completion) (including, without limitation, all legal, accounting, consulting, financial advisory and other professional fees);
- j) any expenses incurred in connection with obtaining legal, tax and accounting advice and the advice of other experts and consultants;
- k) insurance premia incurred on behalf of the Fund
- l) audit expenses;
- m) bank charges and interest, including the fees, costs and expenses required to be paid in connection with any credit or overdraft facility or other type of borrowing arrangement, including the legal fees, costs and expenses of the lawyers for the lender(s), the fees, costs and expenses of the Fund's counsel, lender's assumption or transfer fees and required reserves;
- n) taxes and other governmental charges;
- o) expenses related to currency and interest hedging; and
- p) winding-up costs; and
- q) claims and expenses;
- r) organisational expenses,

- s) Any incentive or performance fees.

#### *Organisational Expenses*

The Related Persons will be reimbursed by the PE Fund for Organisational Expenses incurred by them, provided, however, that Organisational Expenses chargeable to the PE Fund will not exceed 1.5% of Aggregate Commitments, (plus VAT). All Organisational Expenses in excess of 1.5% of Aggregate Commitments, (plus VAT) will be borne by the Related Persons (jointly and severally).

#### *Fees of the Depositary*

The Depositary is entitled to receive out of the assets of the PE Fund a fee calculated in accordance with customary banking practice in Luxembourg as follows:

- a) A custody fee computed on the on the NAV of the Fund of:
  - i. 6.5 basis points per annum of the proportion of NAV from USD 0 to 50M;
  - ii. 5.8 basis points per annum of the proportion of NAV from USD 50M to 100M;
  - iii. 4.8 basis points per annum of the proportion of NAV above USD 100M;with a minimum amount of EUR 20,000 p.a.
- b) Transaction fees in an amount of EUR 1,500 per investment/divestment.
- c) A maintenance fee: an amount of EUR 1,000 per asset per year, calculated over the number of investments that the Fund and its Holding Companies hold at the end of relevant Fiscal Year.

#### *Fees of the Administrative Agent*

The Administrative Agent is entitled to receive out of the assets of the Fund, remuneration calculated in accordance with customary banking practice in Luxembourg as follows:

- a) Fund and portfolio accounting and Investor servicing:

##### Aggregate Fund Value Basis Points

Up to USD100M	5 basis points
Between USD100M to USD250M	2.5 basis points
Above USD250M	1.0 basis points

With a minimum fee of USD 2,500 per month if the Fund total assets under management are below 50M and USD3,500 per month when the AUM are over 50M.

- (b) Financial statement preparation and audit: USD 4,500 p.a.
- (c) Out of pocket expenses: a charge of 10% of the monthly administration fee.

The Administrative Agent's fees are subject to review after the first two year period of operation. A 3% increase of the fees will then apply at the end of each calendar year thereafter.

#### *Fees of the Auditor*

The Auditor shall be remunerated for its services with a remuneration calculated in accordance with market practice in Luxembourg fees. The remuneration will be of EUR 24,500 per annum. This amount is exclusive of VAT, out-of-pocket expenses and engagement management fees, furthermore it is based on their actual knowledge of the investments made.

### Multi-Strat Fund

The NAU fund is presently being liquidated and it is expected that KPMG will take over as the liquidation agent fully in the next two months. There are limited operational tasks as the fund has been under a controlled redemption since April 2016. Assets have been liquidated and paid back as a cash redemption or in specie under to control of the directors and advice of Halkin as the AIFM. SS&C Globeop Financial services have performed operational and IR tasks as required and have provided monthly valuations up until the end of January 2016. This fund will not require any operational management once the final assets are transferred and KPMG take up their liquidation remit.

Halkin Asset Management ceased to receive any management fees on this fund since October 2016.

### Segregated Mandates

Halkin also offers advisory services on a segregated mandate basis. The fees for a segregated mandate client are negotiable on a client by client basis, and depend on the size of the investment and the complexity of the mandate, among other factors. All fees payable to Halkin and any third party costs are outlined in the investment management agreement with each client.

The management fees charged to segregated mandates are calculated and billed in accordance with the provisions of the relevant investment management agreement.

## **Performance Based Fees and Side-by-Side Management**

Halkin collects a performance fee, as outlined in detail above. Halkin also has a fee sharing arrangement on the fund's performance fee, which is a hurdle limit agreed with the portfolio managers. Halkin receives a defined percentage of the performance fee. Halkin may also enter into performance based fee arrangements with other segregated mandate clients in the future. Halkin's investment process ensures that all investors are treated the same and that Halkin strictly follows the investment strategy as described in the fund documentation or the investment policy statement. For bespoke solutions, the fee structure is set out in the respective fund documentation or investment policy statement alongside the risk level. Halkin's investment strategy ensures that Halkin treats all investors equitably and fairly and that Halkin executes on the investment strategy agreed with investors.

Charging a performance based fee may create a conflict in that it may incentivize Halkin to make investments on behalf of clients that are riskier or more speculative than would otherwise be the case in the absence of such an arrangement. Such fee arrangements may also create an incentive for Halkin to favor the clients paying a performance based fee over accounts that are assessed an asset based fee only.

To protect against the favoritism of performance fee paying accounts, Halkin maintains an allocation policy and procedures designed to ensure that allocations are made on a fair and equitable basis. As far as practicable, where two or more clients are equally suited to a type of investment opportunity and able and willing to participate, Halkin will allocate such investment equitably in order to ensure that each client has equal access to the same quality and quantity of the investment opportunities that are deemed appropriate for the investment strategy implemented by multiple clients.

## **Types of Clients**

Halkin may provide portfolio management services to a variety of clients including:

- high net worth individuals
- corporations
- public pension and profit-sharing plans
- charitable institutions, foundations, and endowments
- investment companies and other commingled funds
- trusts
- governmental entities
- Wrap fee programs

Investors in a pooled vehicle are not permitted to place any restrictions or mandates on the management of the pooled vehicle. All investment objections and restrictions are outlined in the relevant fund's offering document.

For segregated mandates, Halkin's investment approach can be tailored to a specific investor's requirements in terms of investment universe, capitalization size, factor exposure or weighting mechanism etc.

The Funds have minimum amounts which must be invested dependent upon the specific share class. Investors should consult the offering memorandum for more information.

For segregated mandates, the client may terminate the account in line with the provisions of the investment management agreement.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Halkin's approach to risk management is to actively monitor the risks arising from its operations and investments and taking adequate and proportionate measures to mitigate that risk and ensure that it remains in compliance with its regulatory requirements.

Halkin's risk function monitors the investment process. Halkin's Chief Operations Officer (COO) monitors business and operational risk. Appropriate escalation procedures are in place such that Senior Management will be made aware of material risks, real or apparent.

Halkin takes a dynamic approach to monitoring its risk appetite based on the exigencies of its business, but at any rate seeks to avoid excessive undue risk.

### *Market Risk*

Halkin's exposure to markets is limited to foreign exchange fluctuations as a result of a mismatch between the currency of some assets against its liabilities. These exposures are minimal and monitored regularly.

### *Credit Risk*

Halkin is exposed to credit risk in relation to:

- non-payment of fees, which are subject to contractual arrangements with independent administrators and (where applicable) trustees, which will reduce risk of willful default;
- bank deposits, which are maintained with highly-rated counterparties and appropriate arrangements in place to minimise loss to deposits in case of their default.

#### *Operational Risk*

Halkin is exposed to risk arising from its operations insofar as it relates to processes, systems and external factors. Senior Management actively and regularly review and assess operational risk by way of a quarterly Risk Committee.

#### *Business Risk*

Halkin is exposed to the risk of loss of fees arising from sustained outflows in assets under management resulting from market stress. Halkin mitigates this risk by offering a range of funds with different investment profiles, varying exposures and correlation characteristics.

#### *Investment Risk*

Halkin's risk function is managed by the firm's COO. Risks are managed according to a defined Risk policy written and reviewed by portfolio managers of the respective funds and Halkin Asset Management. Policies are available for review. Limits for the Halkin Wittenberg fund are monitored on a daily basis and the firm utilizes Bloomberg's Multi Asset Risk System and Compliance Manager tools to ensure trading limits are not breached.

The PE fund cannot be managed in this manner due to the nature of the investments. The investment committee of the fund ensure that the portfolio invests as per the funds mandate and this is reviewed by Halkin's risk function when managing funding levels.

## **Disciplinary Information**

The Company and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

## **Other Financial Industry Activities and Affiliations**

Halkin offer corporate advisory services to Professional clients and eligible counterparties on capital raising, corporate restructuring, merger & acquisitions etc. This business is completely separate from the portfolio management and advisory activities. Halkin has fee sharing arrangements with the advisors on the successful deals.

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

Halkin has implemented a Personal Account Dealing and Outside Interest Policy (the "PAD Policy") which

covers employees, and any account in which they have beneficial ownership over (including their spouses, cohabitee partners, and children or other immediate family members living in their house). The PAD Policy provides that account dealing should be for investment purposes rather than for speculation and the frequent buying and selling of investments is discouraged. All investments are subject to a minimum 60 calendar day holding period. Where investments are held in Halkin funds/client portfolios, they shall be subject to a minimum holding period of 90 calendar days. The minimum holding period will not apply where a stop-loss order has been put in place by an employee. Details of the stop-loss order must, however, be disclosed to the Compliance Officer prior to the initial approval of the trade. The Compliance Officer will also monitor the volume and frequency of deals, and day trading is prohibited in all circumstances (i.e. selling investments bought on the same day). A Restricted List will be maintained for securities in which no personal account dealing is permitted. For a copy of the PA Dealing policy, please contact Halkin's Compliance Officer at the contact information listed on the cover page.

## **Brokerage Practices**

### *Best Execution*

Assessment of the venues and entities used to provide the best possible result for transactions will be made on an ongoing, consistent basis. Internal monitoring, and where applicable transaction cost analysis tools, will be used for assessment, as well as information obtained from the various venues and entities used by Halkin.

Where such monitoring and review is deemed to find that a venue or entity is not consistently providing the best possible result, Halkin will first try and resolve the issue with the relevant venue and/or entity. Where resolution appears to be impossible, Halkin will give due consideration to cease using that venue or entity.

### *Soft Dollars/Commission Sharing Arrangements*

Halkin will only use client dealing commission to pay for substantive research or costs directly related to the execution of trades. Under no circumstances may dealing commission be used to pay for access to senior staff at investee firms (corporate access). Access to corporate management is regarded as a core cost of business and will be funded from the firm's own resources or separately charged to clients.

The amount passed on to a customer will not be greater than the cost charged by the broker or relevant person. Where the relevant goods or services aren't priced, Halkin will determine a fair value based on a fact-based analysis of comparable priced goods and services.

Where goods or services received comprise provision of substantive research together with elements that are not substantive research, Halkin will disaggregate the elements and only charge that portion which relates to substantive research or costs related to the execution of trades.

### *Aggregation and Allocation*

Halkin is not currently aggregating or allocating orders across different customer portfolios. The firm is not authorized to deal on its own account.

### *Cross Trades*

In instances where the firm transfers securities between customers portfolios (cross trades), pre-approval by the Chief Operating Officer /Compliance Officer must be sought to ensure such transfers are beneficial to both customers and are executed at a fair price.

Any such trades should be replete with a detailed rationale and subject to review by the Risk Manager.

#### *Trade Errors*

Halkin Asset Management maintain a Trade Errors Policy which sets out definitions, identification and remedial of any trading errors.

Any trade error will be corrected as soon as it is identified as being erroneous. All trade errors will be notified/confirmed to the Portfolio Manager and Risk Manager immediately and escalated to the Directors if not resolved within a reasonable time. Risk Management will determine that the trade was indeed erroneous (if it does not correspond with the portfolio manager's initial intent), will review the actions taken to correct the error and will calculate the gain or loss resulting from the Trade Error between the date of execution and the date of correction or cancellation. There will also be a trading error report presented at the Board Meetings to keep the board informed of all errors and process.

## **Review of Accounts**

#### SICAV Fund

Halkin Wittenberg are the only active fund in the SICAV Fund. Accounting and valuation is completely independent and provided by the funds administrator, SS&C Luxembourg Sarl. Shadow accounting is monitored through Bloomberg's BGIN portfolio management tool and provides live pnl accounting and risk monitoring. Halkin operations produce daily NAV estimates and utilize this tool to reconcile to SS&C's monthly NAV calculation before it is produced for investors. The NAV is 100% independently confirmed with all assets Level 1 as per FAS 157 Classification.

#### PE Fund

Due to the nature of private equity funds the review of accounts and valuation is more difficult. The fund uses Apex Fund Services (Malta) Ltd as the administrator and Pricewaterhouse Coopers as the auditor. Halkin Asset Management review these accounts to ensure accuracy.

#### Multi Strat Fund

The fund is currently in wind down mode, and will be liquidated in the near future.

## **Client Referrals and Other Compensation**

Halkin does not directly or indirectly compensate any third-party for client referrals.

## **Custody**

Halkin does not compensate any person for client referrals nor does it offer or receive sales awards or prizes for providing investment advice to clients. Halkin does not have custody of any client funds or securities.

## Investment Discretion

Halkin exercises full investment discretion over its products subject to the terms and conditions outlined in the relevant prospectus. However, Halkin may enter into non-discretionary mandates in the future.

## Voting Client Securities

Halkin is committed to responsible stewardship and administration of proxy voting rights, diligently analysing issues put before the shareholders and exercising proxy voting rights accordingly.

Halkin's fiduciary duty to the beneficial owners requires it to examine each resolution offered and the context in which it applies. Therefore, in voting the clients' beneficial holdings, Halkin is required to consider, on a case-by-case basis, those factors that are in the best interest of the client and may affect the value of the clients' investments which it manages. For this reason, there may be instances in which shares may not be voted in strict adherence to these guidelines.

Subject to the guidelines below, Halkin must vote on all holdings falling into the following 2 categories:

1. Shareholding equal to a 1% position in any of Halkin's portfolios;
2. Combined Halkin shareholding in a company representing more than 3% of the company's shares in issue.

However, the investment manager may at its discretion decide not to vote any holding falling within these circumstances if deemed necessary, and specifically where:

1. Halkin will not vote proxies for client accounts in which the client contract/IMA specifies that Halkin will not vote. Under such circumstances, the clients' custodians are instructed to mail proxy material directly to such clients.
2. Halkin may abstain from voting a client proxy if the effect on shareholders' economic interests or the value of the portfolio holding is indeterminable or insignificant. Proxies with respect to securities that have been sold before the date of the shareholders meeting and are no longer held by a client generally will not be voted.
3. Halkin may abstain from voting a client proxy for cost reasons (i.e. in the case of unjustifiable high costs).
4. If voting securities are part of a securities lending program, Halkin may be unable to vote while the securities are on loan.
5. Halkin's responsibilities for voting proxies are determined generally by its obligations under each investment management agreement or similar document. If a client requests in writing that Halkin vote its proxy in a manner inconsistent with these policies and procedures, Halkin may follow the client's direction or may request that the client vote the proxy directly.

For complete Voting Policy and Guidelines, please contact the Compliance Officer. The Compliance Officer maintains a record of all proxies it has voted.

## **Financial Information**

Halkin has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.