

Item 1 – Cover Page

Hanwha Asset Management (USA) Ltd.

410 Park Avenue, Suite 1530

New York, New York 10022

(212) 313-6861

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This Brochure provides information about the qualifications and business practices of Hanwha Asset Management (USA) Ltd. (“HANWHA”, “we”, or “us”). If you have any questions about the content of this Brochure, please contact us at (212) 313-6861 or kno@hanwha.com. 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.

HANWHA is a Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about HANWHA is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This updated Annual ADV Brochure reflects new information pertaining to our current Regulatory Assets Under Management. There have been no other material changes.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us at (212) 313-6861 or kno@hanwha.com.

Additional information about HANWHA is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with HANWHA who are registered, or are required to be registered, as investment adviser representatives of HANWHA.

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Item 4 – Advisory Business

HANWHA is registered with the SEC as an investment adviser and has been in business since June, 2005. The principal owner of HANWHA is Hanwha Asset Management Co., Ltd. Our Chief Executive Officer and Managing Director is Jung Woo Sung and our Treasurer/Secretary is Min Park. As of December 31, 2017, HANWHA has approximately \$566,223,116 in assets under management.

HANWHA offers the following types of advisory programs and services:

HANWHA offers ongoing portfolio management services based on the goals, objectives, time horizon, and risk tolerance of each client. HANWHA creates portfolios for each client, which outlines the client's current situation and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Services include, but are not limited to, the following:

- Investment strategy
- Asset selection
- Asset allocation
- Regular portfolio monitoring
- Risk tolerance

HANWHA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HANWHA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

HANWHA provides model portfolio management that is discretionary. The models are designed to be allocated based on client goals, risk tolerance, expected return, allocation, and time frame before assets are traded.

Item 5 – Fees and Compensation

Total Assets Under Management	Annual Fee
\$1 - \$1,000,000	2.50%
\$1,000,001 - \$5,000,000	2.00%
Above \$5,000,000	Negotiable

These fees are negotiable and the final fee schedule is attached as an Exhibit of the Investment Advisory Contract. Such fees shall be based on the average daily market value (US\$) of the assets.

Fees are paid monthly or quarterly in arrears based on the signed advisory agreement, and clients may terminate their contracts with one month's prior written notice. If fees are charged in arrears, no refund policy is necessary. In the event of termination, any balance due will be invoiced by the client for remittance. Clients may terminate their contracts without penalty, for a full refund, within five business days of signing an advisory contract. Advisory fees are billed to the clients. There is no account minimum.

HANWHA sends the client a written invoice itemizing the fee, including any formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

The initial period from the inception day to the last day of the fee calculation period will be prorated to be paid with the first payment. If the agreement is terminated other than on the last day of the fee calculation period, the fee for the applicable period in which such termination occurred shall be prorated to reflect the partial period in which the termination occurred.

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

HANWHA does not accept performance-based fees or fees based on capital gains on the assets of a client.

Item 7 – Types of Clients

HANWHA generally provides investment advice and/or management advisory services to companies and other institutional clients. There is no minimum account size.

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

Methods of Analysis

HANWHA's methods of analysis include Top-Down analysis and Bottom-Up analysis.

Top-Down Analysis: HANWHA's Top-Down analysis includes macroeconomic research to assess the overall risk environment, and determine broad portfolio themes, industry emphasis and overall portfolio quality. Research includes such elements as economic forecasts for GDP growth, inflation, and corporate profits, quantitative analysis of market volatility and yield curve shape, and qualitative assessments of supply and demand trends.

Bottom-Up Analysis: HANWHA assesses the credit characteristics of each issuer to identify stable and improving credits while avoiding credit rating downgrades and default-related losses. We analyze key variables as they relate to a firm and conduct a historical analysis of company operations and financials. We focus on important leading indicators and measures of profitability, including management quality, free cash flow, financial flexibility, market share and revenue growth.

Investment Strategies

The primary objective is to construct a stable to improving credit portfolio with competitive yield profiles. HANWHA's processes combines Bottom-Up credit research with a Top-Down macroeconomic view. By comparing risk adjusted opportunities across all market sectors, we are focused on the best relative value opportunities, which include sectors, credits and securities. We aim to minimize trading and portfolio rebalancing costs, as we seek to invest in those companies that will likely maintain solid balance sheets throughout an entire economic cycle.

Risks of Loss

HANWHA generally seeks investment strategies that do not involve significant or unusual risks beyond that of the general markets. However, investing in the bond market is subject to market risk, interest rate risk, credit risk and liquidity risk.

The value of bonds and any income from those bonds will fluctuate and are impacted by changes in interest rates. Bonds with longer durations are more sensitive and volatile than those with shorter durations. When it comes to credit, there is no assurance that issuers or guarantors will meet their obligations. Some bonds are offered by a small number of counterparties, which may contribute to decreased market liquidity and increased price volatility. Bond investors may not get back the amount invested. Investing in foreign currency denominated securities involves risks that may be exacerbated further by foreign currency values.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9 – Disciplinary Information

As a registered investment adviser, HANWHA is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. HANWHA currently has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

HANWHA does not have any financial industry activities and affiliations that would create a conflict of interest or otherwise prevent HANWHA from servicing clients in their best interests.

Item 11 – Code of Ethics

HANWHA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at HANWHA must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of HANWHA may buy or sell securities that are recommended to clients. HANWHA's employees and persons associated with HANWHA are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of HANWHA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for HANWHA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of HANWHA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of HANWHA's clients. In addition, the Code of Ethics requires pre-approval of many transactions, and restricts trading in close proximity to the client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between HANWHA and its clients.

Advisors may recommend and trade in the same securities with clients and/or related accounts at or around the same time. Generally, this would pose a conflict if the advisor or related account were given a better price than the client. To mitigate this conflict, it is procedure to not trade an advisor's account or a

related person's account on the same day as a client, unless the client gets the better price. Trades may be conducted on an aggregated basis when consistent with HANWHA's obligation of best execution. In such circumstances, the advisor (or related account) and client accounts will share commission costs equally and receive securities at a total average price. HANWHA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. Any exceptions will be explained on the order.

HANWHA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at our main number.

Item 12 – Brokerage Practices

HANWHA does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions.

HANWHA does not receive client referrals from broker/dealers. HANWHA may recommend that clients establish brokerage accounts with certain broker-dealers to maintain custody of clients' assets and to effect trades for their accounts. It is expected that some clients may request to direct brokerage to a broker-dealer selected by the client. In such cases, clients may pay additional fees and should be aware that the client may not receive the best execution and/or the most competitive commission rates and transaction costs. Clients directing broker-dealer transactions may end up paying higher brokerage commissions because HANWHA may be unable to aggregate their orders with our other clients' orders in an effort to reduce transaction costs.

For HANWHA's clients' accounts maintained in its custody, the broker-dealers generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them or that settle into their accounts.

HANWHA's objective in selecting brokers and dealers to effect client transactions is to seek the best combination of price and execution, as well as overall service. The best price, taking into account brokerage commissions, if any, is an important factor in this decision. However, a number of other judgmental factors also may enter into the decision. These factors include, but are not necessarily limited to, HANWHA's knowledge of negotiated commission rates currently available and other current transaction costs; the nature of the security being purchased or sold; the size of the transaction; confidentiality; the execution, clearance and settlement capabilities of the broker or dealer selected; HANWHA's knowledge of the financial condition of the broker or dealer selected; and HANWHA's knowledge of actual or apparent operational capabilities or problems of any broker or dealer, and reporting abilities.

HANWHA is independently owned and operated and not affiliated with any broker/dealer.

HANWHA may aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders may not reduce the transaction costs to participating clients. HANWHA conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated pro-rata to the participating client accounts in proportion to the size of the orders placed for each account. Under certain

circumstances, the amount of securities may be increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

Item 13 – Review of Accounts

Reviews will be conducted with clients not less than at least annually or as agreed with each client. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, HANWHA will monitor for changes or shifts in the economy, changes to the management and structure of client investments, and market shifts and corrections. Clients are advised that they should notify HANWHA promptly of any changes to the client's financial goals, objectives or financial situation as such changes may require us to review the client's portfolio and make recommendations for changes. Reviews will be conducted by Jung Seok Kim, Portfolio Manager of HANWHA, or Jung Woo Sung, Chief Executive Officer and Managing Director of HANWHA.

Item 14 – Client Referrals and Other Compensation

HANWHA does not compensate others for client referrals, nor does it have any arrangement under which it receives any economic benefit from a person who is not a client for providing advisory services to a client.

Item 15 – Custody

HANWHA does not take custody of client accounts at any time. Custody of clients' accounts is held primarily at the custodian. Clients should receive statements at least quarterly from the qualified custodian that holds and maintains your investment assets. HANWHA urges you to review carefully such statements and compare the official custodial records to any account statements that we may provide you. Information we may provide could vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Clients may grant HANWHA authorization to manage a client's account on a discretionary basis. Discretionary authorization provides HANWHA the ability to determine the securities to be purchased and sold and when such securities are purchased and sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients must authorize such discretion in the advisory agreement. When selecting securities and determining amounts, HANWHA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to HANWHA in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, HANWHA does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Client should contact their advisor if they have questions or to obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

Item 18 – Financial Information

As a Registered Investment Adviser, HANWHA is required to provide you with certain financial information or disclosures about its financial condition. HANWHA has no financial commitment that impairs its ability

to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Privacy Statement

To conduct its investment advisory business, HANWHA may collect non-public personal information about its clients from sources such as:

- Information reported by clients on application or other forms clients provide to HANWHA;
- Information about clients' transactions with HANWHA or others; and
- Conversations between clients and HANWHA's adviser representatives.

HANWHA will share non-public information solely to service client accounts. HANWHA will not disclose any non-public personal information about its clients or former clients to anyone, except as permitted by law. If a client decides to close the client's account(s) with HANWHA or becomes an inactive client, HANWHA will continue to adhere to its privacy policy and practices with respect to that client as described in this notice.