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This Brochure provides information about the qualifications and business practices of Aberdeen Asset Managers Limited ("AAML"). If you have any questions about the contents of this Brochure, please contact AAML at (+44) 1224 631999. 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.

AAML is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provides you with information which may help you determine whether to hire or retain an adviser.

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

## **Item 2 – Summary of Material Changes**

Since the most recent filing of the ADV Part 2A on 29 March 2019, AAML, has made the following changes to this Brochure:

- “Item 4 – Advisory Business” was amended to include the AUM as of December 31, 2019.
- “Item 4 – Advisory Business”, “Item 5 – Fees and Compensation”, and “Item 12 – Brokerage Practices” were updated to reflect a change to ASI’s process of providing model portfolios to SMA accounts.
- “Item 5 – Fees and Compensation” was updated to reflect the include fee disclosures specific to Strategic Client Solutions mandates.
- “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss” was updated to include risks as it relates to European Union Uncertainty.
- “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” was amended to include language regarding the internal process for escheatment of proceeds.

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## **Item 4 – Advisory Business**

### Our Firm

Aberdeen Asset Managers Limited (“AAML”) is headquartered in Aberdeen, United Kingdom, and is a wholly-owned subsidiary of Aberdeen Asset Management PLC (“Aberdeen PLC”). Aberdeen PLC is a wholly owned subsidiary of Standard Life Aberdeen plc (“SLA”). The asset management business of SLA operates under the name Aberdeen Standard Investments (“ASI”).

In addition to AAML, Aberdeen Standard Investments (Asia) Ltd., Aberdeen Standard Investments Management Australia Ltd., and Aberdeen Standard Investments Inc. are all wholly owned subsidiaries of Aberdeen PLC. Aberdeen Capital Management LLC and Aberdeen Standard Investments ETF Securities Advisors LLC are wholly owned subsidiaries of Aberdeen Standard Investments Inc.. Standard Life Investments (Corporate Funds) Limited and SL Capital Partners LLP, both based in Edinburgh, Scotland, are wholly owned subsidiaries of Standard Life Investments Limited. Aberdeen Asset Managers Ltd, Aberdeen Standard Investments Inc., Aberdeen Standard Investments (Asia) Ltd., Aberdeen Standard Investments Australia Ltd., Aberdeen Capital Management LLC, Aberdeen Standard Investments ETF Securities Advisors LLC, Standard Life Investments (Corporate Funds) Limited, and SL Capital Partners LLP (collectively, “ASI” or “the Advisers”) are registered as investment advisers with the Securities and Exchange Commission (the “SEC”). In rendering investment advisory services, the Advisers may share resources, including personnel and facilities, and research information. The Advisers may also use the resources of other SLA subsidiaries. The Advisers have entered into Memorandums of Understanding and have elected to appoint as associated persons certain individuals who are employed by affiliated offshore unregistered advisers. These individuals render portfolio management, research and trading services to the Advisers' clients.

AAML has been registered with the SEC as an investment adviser since 28 March 2012. AAML succeeded to the registration of its affiliate, Aberdeen Asset Management Investment Services Limited (AAMISL), following a merger of AAMISL into AAML on March 1, 2012.

In anticipation of the loss of passporting rights for UK MiFID companies on Brexit, the group’s EU/EEA business (including AAML’s branch network) transferred in 2019 to Aberdeen Standard Investments Limited (“ASIL”), an Irish Mifid entity authorised by the Central Bank of Ireland (“CBI”). The business of the AAML German Branch passed to another intra-group entity; Aberdeen Standard Investments Deutschland AG, an AIFM with permission to perform marketing of units and shares in external investment funds as ancillary activities, on 1 April 2019. AAMLs branches have now been de-authorised however, AAML will maintain an unregulated branch in Spain.

### Advisory Services

AAML provides its clients with discretionary and non-discretionary asset management and related services across a broad range of investment strategies and asset classes. Our business is predominantly the active management of financial assets, using first-hand research to make our investment decisions. Active investment spans equities, fixed income securities, and property. AAML also offers an alternative platform which encompasses multi-manager research, selection and portfolio management for hedge funds strategies (“Hedge Funds” or “Alternative Investment Strategies”).

We may also serve as a manager of managers, in which circumstance we hire sub-advisers to provide day-to-day securities selection. We are responsible for selecting sub-advisers and determining the portion of a fund’s assets to be allocated to each sub-adviser. Additionally, we have a solutions business that can blend our abilities across different asset classes to provide tailored investment outcomes to meet specific client needs. This can incorporate skills in both quantitative equities and alternatives. See Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) for additional information regarding our advisory services.

Our investment expertise is delivered through both segregated and pooled products – allowing us to serve a range of clients from institutions to private investors. We offer investment advisory services with regard to investments in both domestic and global securities to a variety of clients, insurance products, and pooled funds, including investment companies registered under the Investment Company Act of 1940, as amended (“1940 Act”). We provide a variety of asset management capabilities, including:

- managing or sub-advising various open-end or closed-end investment companies registered under 1940 Act;
- offering professional money management services for separately managed accounts, which include providing continuous advice to clients based on individual needs concerning the investment of funds and related activities including, but not limited to trading, cash management, and recordkeeping;
- providing investment services to international open-end and closed-end funds, collective investment trusts, and various private or institutional mandates sourced globally;
- offering investment services to certain limited partnerships and similar private funds;
- offering segregated and pooled vehicles focusing on European, or other global property mandates;
- offering global and regional fund of funds products (hedge fund, private equity, venture capital, real assets and property);
- offering model investment portfolios that can be bought through sponsor firms; and
- customizing solutions for clients, including but not limited to those seeking specific exposure or risk/return characteristics within their alternative investment allocations.

#### Tailoring Services to Client Needs

We typically manage client accounts on a discretionary basis; however, we will manage client accounts on a non-discretionary basis subject to client instruction.

We make investments for clients in accordance with mutually agreed upon written investment guidelines and provide continuous supervision of client portfolios. Investment services may be tailored for each client's specific needs and objectives, and clients may impose reasonable restrictions on investing in certain securities or types of securities. We have established procedures and controls to help ensure compliance with each client's specific investment guidelines and any client-imposed restrictions.

Where we are the investment adviser to a pooled investment vehicle, investment objectives, guidelines and any investment restrictions are not typically tailored to the needs of individual investors in those vehicles, but rather are described in the prospectus or other relevant offering document for the vehicle. We create and maintain files supporting the rationales for these recommendations. The advisory or sub-advisory fee is subject to negotiation and is fully disclosed to clients. Upon request, clients may also receive investment advice on a more limited basis through advisory or consulting-like services, including advice on isolated areas of concern such as special projects or a specific topic. Clients wishing to engage ASI for consulting services will be required to enter into a written agreement and may be subject to certain fees and conditions.

We may, directly or indirectly, and without notice to other investors, enter into "side letter" agreements with certain prospective or existing investors (including investors affiliated with ASI) granting them, among other things, greater portfolio transparency, fee waivers or reductions, future capacity rights in a fund, interests or shares having different voting rights or restrictions, reduced minimum subscription amounts, additional rights to reports and other information and other more favorable terms than the terms that are described in the relevant offering memorandum. The funds that enter into these arrangements have no obligation to offer such differing or additional rights, terms or conditions to all interest holders, and ASI may or may not offer similar differing or additional rights, terms or conditions to other clients in customized discretionary accounts it manages or to non-discretionary accounts to which it provides investment advice. In rare instances where ASI is provided with enhanced portfolio disclosure (including potentially material non-public information concerning the portfolio holdings of an underlying fund pursuant to a confidentiality agreement with the underlying fund or its manager), ASI will not be able to share information concerning such holdings or information or the fact of the existence of such a confidentiality agreement with advisory clients unless specifically authorized to do so by the underlying fund or its manager. The relevant markets, risks, strategy, benchmarks, fees, expenses and other investment details will be detailed in the offering memorandum of the vehicle.

### Model Delivery UMA/SMA

AAML may participate as an investment manager in Separately Managed Account programs (“SMAs”) sponsored by third party firms (the “Sponsor”). SMAs are offered by non-affiliated Sponsor entities and may involve strategies of other outside managers in addition to our own. In these arrangements, ASI provides investment management services on a discretionary basis to that client in accordance with one or more model portfolios selected by the client. The investment manager is required to provide best execution for trades in the SMA. The Sponsor typically has primary responsibility for client communications and service.

Additionally, AAML may provide non-discretionary investment advice whereby AAML provides investment recommendations in the form of a model portfolio to a Sponsor or overlay manager which then utilizes all or part of the model in managing its clients’ accounts. Model delivery programs are often referred to as a Unified Managed Accounts (“UMAs”). In these arrangements, ASI does not place trades or exercise trading discretion for the client accounts.

In such programs, the Sponsor typically charges the client a comprehensive fee, inclusive of the advisory fee charged by AAML together with the fee for all other services being provided by the Sponsor. The Sponsor generally executes client portfolio transactions on behalf of ASI and provides custodial services for the client’s assets. Except for execution charges for certain transactions executed away from the Sponsor, clients pay a single, all-inclusive (or “wrap”, “Wrap programme”) fee charged by the Sponsor based on the value of the client’s account assets for asset management, trade execution, custody, performance monitoring and reporting through the Sponsor. The wrap fee often, but not always, includes the advisory fees charged by AAML and other participating managers through the program.

The Sponsor typically assists the client in defining the client’s investment objectives based on information provided by the client, aids in the selection of one or more investment managers to manage the client’s account, and periodically contacts the client to ascertain whether there have been any changes in the client’s financial circumstances or objectives that warrant a change in the management of the client’s assets. In certain Wrap Programs, the Sponsor contracts with other investment advisers to perform these services. In a Wrap Program, the Sponsor pays the investment advisers, such as AAML, a fee based on the assets of clients invested in the applicable strategy in the Wrap Program. In certain cases, AAML may instead be paid fees based on the size of the total Wrap Program assets under management. AAML may retain a portion of the wrap program fee when it participates as manager in wrap program arrangements.

Wrap fee accounts and other client accounts following a strategy with the same name managed by the same portfolio management team may be managed differently. For example, the Sponsor may impose investment restrictions or administrative requirements upon us in managing accounts that could cause those accounts to be managed differently from other client accounts in the same strategy managed by the same portfolio management team that were not subject to those restrictions or requirements. For example, if a Wrap Fee Program sponsor or client imposes investment restrictions on an account which prohibits investment in a security that is held in the selected strategy, the security may not be replaced with a comparable security and the client’s account may be overweight other positions or hold a larger cash position than other clients in that strategy.

Please also see the “Fees and Compensation” and “Brokerage Practices” items of this Brochure for more information on differences between wrap program arrangements and other types of client accounts.

### Assets under Management

As of December 31, 2019, AAML had approximately \$190,953,192,609 billion in assets under management (AUM) on a discretionary basis, and approximately \$5,777,089,884 billion in assets under advisement on a non-discretionary basis, and total assets under management/advisement of approximately \$196,730,282,493 billion.

## **Item 5 – Fees and Compensation**

ASI's advisory fees are negotiable, and generally vary depending on the services being provided according to the schedule agreed to by the client and included in their investment management agreement. Fee arrangements will vary by client, and are based on a number of different factors, including investment mandate, services performed, and account size. Fees and allocations may be fixed, fixed plus performance or performance only. Please refer to Item 6 of this Brochure for additional information about performance-based fees. Generally, fees are paid monthly or quarterly in arrears based on assets outstanding at the close of each month, quarter or the average of the month-ends within a quarter, or in advance based on assets outstanding at the end of prior month or quarter, pursuant to the prospectus or other relevant offering document for the vehicle. We will either invoice clients for these fees, or in certain situations deduct these fees from the client's custody account. In some instances, fee schedules are negotiable and can vary depending on a variety of factors such as the client, size of the account, and the investment strategy selected.

ASI may also charge fees for certain services at a fixed or hourly rate. These fees are negotiable and depend upon the needs of the client, complexity of the situation, and experience of the personnel providing services under these arrangements.

We will not generally be required to provide notice to, or obtain the consent of, one client when waiving, reducing or varying fees or modifying other contractual terms with any other client. However, some clients may from time to time seek to negotiate most favored nation ("MFN") clauses in their investment management agreements with ASI. These clauses may require us to notify the MFN client if we subsequently enter into an investment management agreement with another client that offers more favorable pricing or other contractual terms than those currently offered to the MFN client. The applicability of an MFN clause will depend on the degree of similarity between clients, including the type of client, the scope of investment discretion, reporting and other servicing requirements, the amount of assets under management, the fee structure and the particular investment strategy (and therefore the relevant investment adviser) selected by each client. We have sole discretion over whether or not to grant any MFN clause in all circumstances.

All advisory arrangements may be terminated by either party upon prior written notice, according to the termination provisions outlined in the investment management agreement. If a contract is terminated, all advisory fees are subject to a pro-rata adjustment based upon the date of termination. Upon termination of the agreement, any prepaid, unearned fee will be promptly refunded, and any earned, unpaid fees will be due and payable.

**For our standard segregated and/or commingled account fee schedules for U.S. clients and investors, please refer to Appendix A of this brochure.**

### Registered Fund Fees

With respect to U.S. SEC registered open-end and closed-end funds advised or sub-advised by ASI, each fund's prospectus sets forth the applicable fees and expenses. On an annual basis, each Registered Fund's Board of Directors/Trustees (the "Board"), including the independent Board members, considers renewal of the Registered Fund's investment management services agreement, including the advisory fee paid by the Registered Fund to the investment manager. These fees are typically higher than the representative fee schedules shown in Appendix A.

Because the multi-asset funds Registered Funds invest in other registered investment companies, each such Registered Fund will bear its proportionate share of any management fees paid by a registered investment company in which the funds invest in addition to the advisory fee paid by the fund to AAML.

### Sub-advised Mutual Funds and Other Pooled Vehicle Fees

We serve in a sub-advisory capacity for U.S. and offshore investment companies both registered and unregistered that are managed by third parties. Fees for such services are negotiated with the manager, and may be set forth in the fund's registration statement or other similar offering document.

### Model Delivery and Wrap Programs

AAML may participate in arrangements where it provides a model portfolio to clients but does not exercise investment discretion or trade in the account, including, but not limited to, UMAs. AAML's actual fees, minimum fees, and minimum account sizes may be negotiable, and in arrangements where it provides a model portfolio, may be lower than those for providing investment advisory services where it has full discretion, depending on the circumstances.

Payment of a bundled asset-based wrap fee may or may not produce accounting, bookkeeping, or income tax results better than those resulting from the separate payment of securities commissions and other execution costs on a trade-by-trade basis and advisory fees.

With respect to SMA programs for which ASI is not the Sponsor, the client pays an asset-based fee to the Sponsor Firm and the Sponsor firm is responsible for paying the investment advisory fee to ASI. ASI's fees from the Sponsor firm are negotiable and differ from program to program. Program fee paid by clients covers trading charges only when transactions are executed through the Sponsor or its affiliates. To the extent that trades are "stepped-out" to broker-dealers other than the Sponsor (or executed away from the Sponsor), additional fees may be incurred by the client.

The Sponsor's Program Brochure generally contains information on minimum account sizes and fees payable to the Sponsor and participating investment managers. Accordingly, ASI's fees for managing SMA program accounts may be lower than those for providing investment advisory services outside the SMA program. Clients should contact their program Sponsor for more information on the fees payable to ASI in connection with such program.

### Alternative Investment Strategies (Hedge Funds)

Investors and prospective investors should review the confidential private placement memorandum, limited partnership agreement and other governing documents (collectively, the "Governing Documents") of each Hedge Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to that particular Hedge Fund. Different Hedge Funds and advisory accounts may be subject to different management fees and performance-based compensation arrangements. In certain circumstances, the advisory fees payable to AAML by individual investors are negotiable and are waived for certain investors.

AAML is authorized under the Governing Documents to charge and deduct advisory fees directly from the assets of the Hedge Funds. Payments of advisory fees are made in accordance with the terms set forth in the Governing Documents. Please refer to the Governing Documents of each of the Hedge Funds for complete information on the timing of advisory fee payments.

Management fees are generally paid quarterly in arrears, are tiered in some cases based upon the net assets under management for the Hedge Fund or account, are subject to breakpoint discounts in some cases based upon capital under management by AAML, and are generally up to 2.00% annually, as described in the relevant Governing Documents. The formulas for calculation of performance-based compensation arrangements vary by Hedge Fund but are generally up to 20% of investment performance, subject to a hurdle rate and/or loss, carry forward in some cases, as described in the relevant Governing Documents. Unless otherwise noted in the Governing Document, performance-based compensation is generally assessed and payable at the end of each calendar quarter. Such management and performance-based compensation is calculated after application of underlying manager fees and expenses. As described below, AAML provides services to Hedge Funds, that invest in other investment vehicles ("underlying funds") whose managers ("underlying managers") typically charge: (i) an asset-based fee (that generally is in the range of 1% to 2% annually) and (ii) a profits-based fee (that generally is approximately 20%), and in some cases higher rates, and which fee rates vary for each such underlying fund. Additionally, the fees of AAML do not include the expenses of any service providers hired by the Hedge Funds and/or any operating and overhead expense reimbursements paid to AAML and do not include expenses indirectly borne through investments in underlying funds or customized portfolios (e.g., redemption fees may be charged by certain hedge funds). Each Hedge Fund sets forth any such additional operational expenses in the relevant Governing Documents.



Factors AAML may consider in negotiating fees or other terms to which any investor may be subject may include, without limitation, the nature of the services required, the extent of reporting or other administrative services required, the type of assets invested, the amount of assets invested, AAML's prior relationship with the applicable investor or its affiliates, other investments with AAML by the applicable investor or its affiliates, the other terms to which the investor's investment with AAML would be subject and the impact such special terms might have on other investors.

#### Other Fees

AAML may have different fee schedules for products and services offered in other jurisdictions outside of the U.S.

We examine fee ranges and average fees using comparative universes. Terms are negotiated on a case by case basis.

In addition to the advisory fees discussed above, clients may incur additional fees related to the services we provide. Clients may incur the fees and expenses charged by the custodian of client assets managed by us, as well as brokerage and other transaction costs associated with securities trades that we order on behalf of the assets in a client account.

We occasionally invest client assets in other products that we or an affiliate may also advise. Specifically, clients participating in Strategic Client Solutions mandates may be recommended ASI-managed products and/or other advisory services. As a shareholder of an ASI product or client of ASI advisory services, a client may be subject to advisory fees (and other expenses) at the product level or for other ASI advisory services in addition to fees charged to the advised account.

For an additional discussion of brokerage and other transaction costs, please refer to Item 12 - Brokerage Practices of this Brochure.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

We sometimes enter into agreements for performance-based fees with qualified clients. The existence of such a performance-based fee may create conflicts of interest in the allocation of management time, resources and investment opportunities between different strategies. Additionally, collecting performance-based fees may result in instances in which a portfolio manager concurrently manages accounts with different fee structures for the same strategy. This is referred to as “side-by-side” portfolio management and, in these instances, we will not determine allocations based on whether we are participating in a trade or on the fee structure of the managed accounts participating in the trade. Furthermore, we may seed investment vehicles and make co-investments along with clients invested in property funds, direct property investments, or other private fund investments.

The potential management of different types of accounts and accounts with different fee arrangements (“side-by-side” management) may give rise to potential conflicts of interest. Registered funds, for example, generally pay management fees based on a fixed percentage of assets under management, while separate accounts and private funds potentially may have more varied fee structures, including performance-based incentives. Where performance is good, performance-based fee clients may be charged fees higher than the industry standard. We may have a material incentive to favor certain, more lucrative accounts over those that may be less lucrative. Additionally, we may have a material incentive to favor accounts in which we, or our affiliates, have significant proprietary interest. For example, we have an incentive to allocate better-performing securities to those accounts subject to performance fees rather than to those which are not. These performance fees may also incentivize the portfolio manager to take riskier positions than would have otherwise been initiated. Additionally, the calculation of performance fees is based upon a number of factors both within and out of our control. To mitigate these conflicts, we have adopted policies and procedures to ensure that investment decisions are made based in the best interests of our clients and without consideration of our financial interests.

ASI’s policies generally prohibit Portfolio Managers from trading in conflict with themselves – specifically, across same strategy accounts that they manage. Generally, Portfolio Managers are prohibited from taking an “inconsistent position”, or from holding the same security long in some accounts and short in others, unless they are materially underweight in a long only account that must hold that security at some level for benchmark tracking purposes (as this would not appear to represent a conflict of interest). Portfolio Managers may, however make different investment decisions for the same security or credit for different strategies they manage, as appropriate.

In the event that a potential conflict of interest is identified, the Department Head and the Risk & Compliance Department will discuss the conflict and take appropriate corrective action. Risk & Compliance will also review the procedures in such instances to ensure that they are appropriately crafted to identify similar future conflicts of interest.

From time to time, ASI, its directors, officers, employees or affiliates (“affiliated persons”) may, directly or indirectly, have interests in securities owned by or recommended to our clients. As these situations may represent a potential conflict of interest, we have adopted a Code of conduct (“Code”) in compliance with the requirements of Rule 17j-1 adopted under the 1940 Act and Sections 204A and 206 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), to govern personal transactions by directors, officers, and advisory personnel of ASI (“Access Persons”). For further detail on ASI’s Code, please refer to Item 11 of this Brochure.

We also monitor for conflicts by implementing “best execution” trading procedures and reviewing account allocation and performance.

AAML, or a related entity of AAML, as general partner of certain Private Equity Funds, Hedge Funds, or adviser to a separate account or investment advisory client, will typically receive certain allocations or fees calculated and charged based on a share of capital gains on or capital appreciation of the assets of the Hedge Fund, separate account client or investment advisory client. These performance-based allocation arrangements comply with Rule 205-3 under the Advisers Act. Any share of profits paid to AAML, one of its affiliates, or the general partners of the Hedge Funds, is separate and distinct from the advisory fees

charged by AAML for advisory services. Performance-based allocation arrangements received by AAML or any of its related entities may create an incentive for AAML to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. In addition to Performance-Based fees paid to the Adviser, the Funds may cover operating and organizational expenses of the Adviser, as detailed in Item 5 above. Please refer to the Governing Documents of the applicable Private Fund or Hedge Fund (or the investment advisory agreement of the applicable separate account client) for complete information on the performance-based compensation arrangements entered into with respect to such client.

AAML may provide concurrent advisory services to client accounts that are not charged a performance-based fee or allocation by AAML's related persons and client accounts that are charged a performance-based fee or allocation by a related person of AAML, AAML or one of its affiliates may also provide concurrent advisory services to private equity funds, Hedge Funds, and/or separate account or investment advisory clients that are charged different performance-based fees or allocations and, in certain cases, AAML may only be permitted to take a performance-based fee or allocation from a private equity fund, Hedge Fund, or separate account client or investment advisory client after the applicable investors or client received a preferred return on their committed or contributed capital. Additionally, the General Partner may, in its discretion, agree to special terms regarding carried interest with respect to certain Partners including, without limitation, ASI employees, ASI affiliates, and certain Limited Partners with significant capital commitments to the Fund. As a result, the potential for AAML's related persons to receive different fees or allocations from performance-based accounts creates a potential conflict of interest with respect to the allocation of investment opportunities because AAML may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a more favorable performance fee or allocation.

To mitigate this potential conflict of interest, allocation of commitments and investment decisions with respect to investment opportunities are made by AAML or an affiliate for all private equity funds, Hedge Funds, and separate account and investment advisory clients in accordance with investment allocation policies. With respect to investment opportunities that are appropriate for more than one client (including a fund and/or a separate account or investment advisory client, ASI's investment allocation policies takes into account multiple criteria, including (but not limited to) the investment objectives and strategies of each applicable client, differences with respect to the available capital, size, and remaining life of the applicable clients, differences in risk profile at the time the opportunity becomes available, potential conflicts of interest, the nature of the security or the transaction, and current and anticipated market conditions. In the event the investment opportunity is suitable for more than one client, will derive an allocation that, over a period of time, is fair and equitable to each applicable client relative to other clients, taking into account all relevant facts and circumstances. Prospective investors should refer to the Governing Documents of the Hedge Funds for more details on investment allocation decisions among the Hedge Funds.

## **Item 7 – Types of Clients**

### Clients

Our client base comprises a variety of institutional clients, including corporate plans, non-profit organizations, public plans, governments, private investors, multi-employer plans, financial institutions, intermediaries, sub-advised funds and pooled investment vehicles, encompassing both affiliated and unaffiliated U.S. and non-U.S Registered Funds and U.S. and non-U.S. unregistered funds, among others. The requirements for opening any account will vary depending on the type of product and type of client. We have minimum account size requirements for certain accounts which may be waived at our discretion. Please refer to Item 5 of this Brochure for additional information on minimum account size requirements.

### Privacy Policy

We recognize and respect the privacy concerns of our customers. We are committed to protecting the privacy of client information and will not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. In order to service your account and effect your transactions, we may provide your personal information to our affiliates and to financial service providers that assist us in servicing your account and have a need for such information, such as a broker-dealer, custodian or administrator. We may also provide client information to a third party in situations where clients have given us consent to do so, at the request of a regulator or where we are required to disclose the information by law or regulation. We require third-party service providers and financial institutions with which we have joint marketing arrangements to protect the confidentiality of your information and to use the information only for the purposes for which we disclose the information to them. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your non-public personal information. We have adopted privacy policies and procedures that are designed to prevent the unauthorized disclosure and use of client non-public personal information.

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

### **Methods of Analysis and Investment Strategies**

We utilize various investment approaches when managing discretionary client accounts and providing recommendations to non-discretionary clients. We have described below the various methods of analysis and investment strategies, as well as the primary risks associated with the investment strategies. These include Equities, Fixed Income, Alternative Investment Strategies (Hedge Funds), Multi Asset Solutions, Quantative Investment Strategies, Strategic Client Solutions, Real Estate, International Private Equity and Venture Capital and Real Assets.

#### **Equities**

At ASI, we believe that deep fundamental research into companies, mediated through team debate and a rigorous stock selection process, is the key to unlocking investment insight and driving investment returns in portfolios. We utilize a bottom-up, fundamental stock-picking approach, where sector, regional and country allocations are a residual of our bottom-up stock selection decisions, constrained by appropriate risk controls.

Our scale affords coverage of a wide and dynamic universe, with in-depth, locally-sourced insights. We have approximately 150 highly experienced equity professionals across the world, each engaged in fundamental stock research and insight generation.

Research coverage is organized on a sector basis, with analysts developing expertise which enables them to identify investment opportunities through fundamental knowledge at both the sector and stock level. We also use quantitative screening tools and risk tools to help us identify interesting stock opportunities and the most appropriate coverage universe.

Environmental, social and governance (ESG) considerations are core to our approach. By actively engaging with companies on ESG issues and fully integrating these insights into our stock research and decision making, we aim to enhance investor returns and reduce risk.

To leverage the benefits of our research resources, our equity teams use a common investment language and research framework that structures how we express our thinking on companies. Our investment ideas are subject to rigorous peer review, both at regular meetings and on an ad hoc basis. This facilitates the effective and unambiguous articulation of research insights.

The generation of research insights combined with rigorous peer review allows our fund managers to effectively assess the investment potential of companies for any of our distinct client outcomes.

Portfolios are built from the bottom up, prioritizing high conviction stock ideas in a risk aware framework. Portfolio risk budgets are derived from our clients' investment objectives and required outcomes.

As active equity investors we express our research views through a principled portfolio construction process which actively takes appropriate and intentional risk to drive return. The largest component of our active risk will be stock-specific along with appropriate levels of diversification. We use a variety of both proprietary and external quantitative tools to support this decision making. Our risk systems monitor and analyze risk exposures across multiple perspectives. We are able to break down the risk within the portfolio by industry and country factors, by currency and macro factors, and by other fundamental factors (quality, momentum, etc). We can thus highlight the stocks with the highest marginal contribution to risk and the largest diversification benefit which can be usefully combined with our view of the return we expect from each stock. We also have pre-trade functionality which can simulate changes to our current portfolio and assess how any changes would impact the overall risk profile of the fund. We can then manage that risk with the objective of maximizing risk-adjusted returns and ensuring appropriate diversification. Continuous coverage and monitoring of both the company fundamentals and price action allow us to review any stock's position in the portfolio.

## **Fixed Income**

Our investment teams seek to generate investment alpha within their specialist areas utilizing a foundation of fundamentally-driven research. Strategies are tailored to meet individual portfolio and client objectives and benefit from independent risk monitoring and oversight.

### **Key points**

- Active management, operating globally, aiming to deliver outperformance
- Using diversified sources of added value to improve risk-return profiles
- Specialist decision makers, working within allocated risk budgets.
- Collaborative research process with global perspective
- Derivatives capability for both active and liability management

### **Active management**

We give our client added value by exploiting market inefficiencies in interest rates, currency, investment grade credit, emerging market debt and high yield. We have dedicated portfolio managers and analysts in the United Kingdom, Europe, North America and Asia/Australia. They operate as close-knit teams, delegating investment decision-making to specialists, depending on their knowledge and expertise.

### **Flexible and disciplined investment process**

Our investment structure enables us not only to follow a disciplined investment process while allowing flexibility to manage portfolios for a wide variety of client requirements. This may range from strategies which employ multiple sources of uncorrelated returns to those that are focused on a particular specialist area.

### **Diverse solutions**

Fixed income is not a static area. Many clients are moving to higher performance or core plus mandates, with others moving away from market-based indices and the use of liability driven benchmarks. We aim to deliver superior performance across the full range of our fixed income capabilities. We also use derivatives, such as interest rate and credit default swaps, to add value and match liability exposures.

### **Alternative Investment Strategies (Hedge Funds)**

We consider hedge fund strategies as a set of investment trading strategies that can offer potential diversification benefits for investors in traditional asset classes. Due to the potential non-traditional nature of hedge strategy returns, performance is not necessarily correlated with traditional investment markets or indices, such as equities or bonds. We believe that, through understanding the properties and behavior of different strategies; Portfolios can be created that are not solely dependent on market direction for returns. Such investments can therefore be potentially diversifying for investors in traditional asset classes.

In constructing portfolios, we believe one of the key focuses should be the understanding, monitoring and management of risk. Risk exposures and market sensitivities must be appropriate to the longer-term investment objective. We also believe that value can be added through active portfolio management to reflect strategic and tactical views and opportunities. Throughout the investment process, we believe that the best outcomes are delivered by making team-based, high-conviction decisions.

### **Our approach:**

We have a long track record of building multi-manager hedge fund portfolios. We do this through:

- Proprietary research and understanding prospective managers and their strategies well. This is how we understand the investment proposition and develop conviction in a manager's ability to deliver on their stated investment strategy.
- Conduct proprietary style and strategy research to develop views on different strategies, their potential return characteristics and the underlying drivers of their future returns.
- Thoroughly investigate the non-investment risks associated with various investments, and do not invest if these risks are deemed too high regardless of the perceived strength of an investment proposition.
- Assess the collective risks in a portfolio of strategies and managers.

- Understand the overall exposures in your portfolios and ensure they reflect your investment views and the portfolio objectives. While individual investments may reflect appropriate risk exposures, the aggregated portfolio may not be appropriately weighted.
- Committee based approach to portfolio management and construction, led by the team's Governance and Investment Committee.

We view alternative risk premia as an extension of traditional hedge fund strategies which can exist due to behavioural biases, investor constraints, mispricing of risk and differences in adoption of new information. The risk premia have been evidenced through detailed academic research but has also been captured for many years by both discretionary and systematic/quantitative hedge fund managers. Individual risk premia can be used as building blocks to achieve exposure to specific risk factors or combined to create cost effective, transparent and liquid solutions for investors looking for exposure to alternative sources of return. Investing in alternative risk premia requires considerable investment due diligence, risk management and well-resourced operational capabilities. Our philosophy can broadly be described by the following themes:

- Undertake proprietary research to fully understand the validity of a particular risk premia strategy before using it as a component of a portfolio.
- Through our proprietary style and strategy research develop views on different risk premia strategies, to ascertain their likely return characteristics and the underlying drivers of their future returns. This research also drives our understanding of how different risk premia strategies are likely to perform in different environments and scenarios.
- Thoroughly investigate operational/non-investment risks.
- Strategic Asset Allocation: follow a quantitative, risk-based portfolio construction process to form a long-term strategic asset allocation to risk premia strategies.
- Continuously assess investment related risks as we recognise these are both dynamic and multi-dimensional.

### MultiAsset Solutions

Our multi-asset experts are supported by over 1,000 asset class specialists around the world, maintaining deep and continuous insight into equities, fixed income, real estate and alternatives. Our collaborative team ethos ensures insight is fully and effectively shared so we can create outcome-focused portfolios comprising the most compelling opportunities we can find across markets and asset classes.

Our multi-asset solutions include:

- absolute return strategies that aim to deliver positive annualised returns regardless of market direction
- dynamic multi asset allocation strategies that seek to generate equity-like returns over the medium term with less volatility than investing only in equities
- diversified asset strategies generating income or capital appreciation through a broad range of traditional and alternative asset classes including listed private assets,
- risk-based portfolios that are tailored to provide investors with an investment based on their preferred investment style and tolerance to risk
- traditional balanced portfolios that spread investment across a range of different asset classes to outperform a defined benchmark or outcome
- liability-driven investment (LDI) and cashflow-driven investment (CDI) strategies that aim to match all current and future liabilities through actively and passively managed hedging techniques

## Quantitative Investment Strategies

Formed in 2005, the quantitative investments team manages a diverse range of products including passive, smart beta, and active quant strategies.

It is a proprietary, rules-based approach. The team manage quantitative equity, fixed income and derivative portfolios across all markets.

The investment process is grounded in academic research and investment theory. The team identifies sources of excess risk-adjusted returns, test them throughout the business cycle, and use them in their active quantitative portfolios in a systematic, cost-effective, and risk-controlled manner.

The quantitative investment strategies include:

- **Traditional indexation** – matching the returns of conventional benchmarks, such as the FTSE All-Share Index, that are weighted according to the market capitalisation of each company. The process used to do this is scalable, repeatable and risk-controlled.
- **Enhanced indexation** – aiming to generate returns slightly above those of the benchmark, by taking a similar level of risk. Taking an equity index as the starting point, our investment process models themes including value, prudent management, financial strength and others. For each of the themes, the team identify investment rationale or established via back-testing that it is likely to outperform over a business cycle. The team then 'tilt' the portfolio to the identified theme(s), aiming to produce a consistent, risk-adjusted return.
- **Smart beta (SMARTER Beta™)** – combining the benefits of active and passive management in a new 'third approach' to investing. Smart beta techniques aim to achieve returns above that of the market, or risk levels below that of the market. They use 'risk premia' factors (similar to the enhanced index themes above) while retaining the numerous benefits of conventional indexing such as simplicity, objectivity, transparency and relatively low costs. The SMARTER Beta™ capability aims to achieve both higher returns and lower risk.
- **Bespoke products** – the team also manage a range of tailored derivative and structured products.

## Strategic Client Solutions

The Strategic Client Solutions proposition is based on three core components:

- **Client insight** - to best help our clients, we need to fully understand their business, their portfolio and their challenges. The Strategic Clients Solutions team is a group of senior, seasoned investment professionals, all of whom have previous portfolio management and investment consulting experience. This means we can better empathise with clients' challenges and apply this perspective to the creation of the most appropriate solutions.
- **Simplifying complexity** - as the investment landscape becomes increasingly complex, solutions need to be practical and intelligible. The exponential growth of technology, data and processing power has resulted in an explosion of information. We can help distinguish signal from noise.
- **Harnessing the power of ASI** - our firm has breadth and depth in investment capabilities. Given that the role of Strategic Client Solutions is predicated on providing knowledge and connectivity around the investment componentry within ASI and externally, our team has to have a deep understanding of the range of investment capabilities across the entire firm. We can help in connecting the relevant parts of the business and bringing together our knowledge, experience and expertise to best fit a client's needs. Sometimes this will lead to a mandate for the Solutions team, but equally, it may sit with another ASI investment team – in which case, we will play a "clearing house" function, identifying which investment desk is best placed to respond to an opportunity and handing it off to them.

Embedded alongside these three key features is the fact that our approach to delivering Strategic Client Solutions is very flexible. Some clients will need one-off advice on a particular issue, such as formulating a strategic asset allocation. Others will require ongoing engagement, such as tactical asset allocation recommendations or third-party manager selection and monitoring. Others may want to outsource part of the investment process entirely, in a customised multi-asset mandate. The flexible nature of our Solutions model combined with the breadth of capabilities across ASI allows us to respond to all of these needs.



## **Real Estate**

Within real estate, our approach is founded on our beliefs:

- A dynamic approach to risk is key, allowing us to flex and adapt risk positions relevant to the appropriate risk budget for each client.
- A multi-asset real estate team offers a truly connected view of our asset class which benefits our clients.
- ESG factors are critical in analysing the risks and opportunities which affect investment values in both the short and longer term.
- Understanding the global landscape and applying a globally consistent approach is critical.

We build our portfolios based on our stock picking skills within a market framework. For our clients we build high-conviction portfolios of quality assets to deliver specific outcomes: income, capital preservation, diversification or growth. We apply risk based tools which have a track record in assessing long term worth and relative prices. This medium and long term view is complemented by a measure of market momentum, which for some funds may be an important component of market timing and would allow the team to assess any liquidity opportunities or challenges in the market.

The critical first step in our investment process is to understand the objectives of our clients. Their risk tolerance, liquidity requirement, return expectations and size of allocation will formulate the target for investment. Dependant on the maturity of their scheme, or their investment horizon, clients may be more focused on income, capital preservation, or on diversification or a growth target. Once clearly defined, the next step in the process is to create and agree the risk budget of the allocation. The articulation of the risk budget will comprise clear and measureable tolerances in income profiles, portfolio structure, value creation, growth and any potential capital expenditure. These tolerances are reviewed annually in respect of their ongoing relevance to the client objective and the prevailing and expected market backdrop. In some cases these risk tolerances are written into fund documentation, or may require direct agreement with the client or, in other cases, are defined by the investment committee in accordance with the fund manager.

The next stage in investment allocation process originates with the Houseview. The ASI Real Estate Houseview is multi-dimensional and dynamic. It is formed of short, medium and long term views of markets, sectors, risk and ESG thematic. It is the creation of the Real Estate Research and Strategy Team, working with their ESG colleagues and drawing on the local insights of the global fund management team. Collaboration with the wider ASI Research Institute as well as the Strategic Asset Allocation Team is also integral to the Houseview production.

The Houseview is used as a framework for all funds and client objectives. For those clients seeking long term lower risk outcomes it provides a guide for those areas of the market capable of delivering durable income at the appropriate price. In value add and opportunistic strategies it indicates where there are growth opportunities and where risk appears mis-priced. For diversified balanced mandates the Houseview acts as an asset allocation tool for portfolios, suggesting in which direction to tilt portfolios. The Houseview also illustrates opportunities for investing thematically, underpinned by proprietary research.

At the core of the investment process is the Annual Strategic Plan. The plan details the fund's strategic goals and action plans and is the key document for communicating fund strategy to all stakeholders. It is formulated by the Fund Manager with input from the Research, Strategy, Transactions, Treasury and Portfolio Management Teams.

The Plan includes:

- the risk budget in line with client objectives, (or the fund documentation) and the portfolio metrics against the risk tolerances;
- a set of objectives for those open-ended funds where objectives will flex dependant on wider conditions and liquidity;

- the performance track record relative to objective and risk budget to include (where appropriate) portfolio to NAV breakdown;
- an outlook for the assets including a measure of near and medium future performance, plus a measure of current pricing against our measure of long term worth;
- the structure of the fund relative to Houseview (and where appropriate the benchmark);
- a cash management and debt strategy (where appropriate) ;
- detailed income and concentration risks;
- the portfolio constructed into quadrants: long term hold, asset manage short term hold, asset manage short term hold and short term hold;
- projected sales;
- target purchases;
- proposed capital expenditure;

Asset level underwriting and due diligence are a crucial ingredient to a fund's Strategic Plan. The team based approach across ASI draws on the insight from the Transactions Team, ESG Specialists, Research Team and Fund Strategists. The aggregation of these views comes together in the cashflows run against all assets held and proposed for purchase. These cashflows underpin the short to medium term prospective performance contribution to the fund and also the long term worth of the assets. Over the short to medium term, the team are assessing the contributions to performance by running IRRs with reference to the Houseview rental and yield projections. In addition the team are assessing the long term worth of those assets based on an assessment of what the projected cashflow is worth by using ASI's Asset Conviction Tool (ACT). Key inputs are the team based scores of the quality of the asset, the assessment of future changes in rental value and the resultant impact on the cash flow generated. ACT then applies a discount rate reflecting the team's view of the inherent risk.

The detailed due diligence, underwriting of assets within the portfolio and the guidance of the Houseview allow the fund teams to position and target positioning of investments within quadrants and creates a consistent language across all funds. It provides a simple and clear format for discussing strategy with clients and is a useful measure of successful asset management when compared over time.

Between annual plans, each fund undertakes a review on a six monthly basis. However, more complex funds (open ended funds and funds in investment phase), those not delivering on action plans or those which have performance challenges, may be required to have more frequent reviews. The Investment Strategy Committee (ISC) would stipulate more frequent reviews where required. The reviews are a check and challenge on progress made towards strategic goals and planned actions. A measure of the risk profile of the fund is compared against the market backdrop and any changes in the risk environment, momentum or Houseview. Changing dynamics in the market environment or momentum could lead to an acceleration or postponement of key actions on the plan.

The detail and the team input into the Strategic Plan is signed off by the (ISC) on an annual basis. The benefit of approval at this level is that all target sales, purchases and capital expenditure are viewed in terms of their impact on the fund and hence the relevance to the client's objectives. It is, however, important that acquisitions are approved individually on an ongoing basis through the year given the process above cannot mitigate specific risks.

### **International Private Equity and Venture Capital**

This strategy is focused on investing in a balanced portfolio of non-U.S. private equity and venture capital managers, primarily focusing on managers based in the European Union and Asia, with select strategic exposure to other non-U.S. markets. Additionally, we manage funds to invest in a balanced portfolio of leading Asian private equity and venture capital managers. ASI International Private Equity and Venture Capital Funds may also opportunistically invest a portion of their portfolios in co-investments and secondaries.

## **Real Assets**

This strategy aims to provide investors with options for investing across the real assets continuum. This strategy focuses on natural resources funds (including funds with a focus on energy, timber, agriculture, commodities, and/or other natural resources) and private real estate (including distressed real estate). The funds also invest a portion of their portfolios in co-investments and may also invest in opportunistic secondaries

Private Market investments, and potential Private Market investments, are analyzed based upon the investment strategy and focus of the underlying funds, the relevant experience of the underlying funds' managers, the past performance of related funds, if any, and any other methods deemed appropriate by the firm.

AAML appraises the capabilities of underlying funds based upon information furnished by the trade press, information obtained from other investors and principally from information obtained from the underlying fund managers themselves in written materials, face-to-face meetings, and/or onsite visits.

The specific terms and investment focus for each fund is as set forth in each such Fund's Governing Documents. Investors and prospective investors in each Fund should review the offering documents of such fund in conjunction with this Form ADV Part 2A for complete information on the investment objectives, fees and strategies. There is no assurance that any of the Funds' investment objectives will be met or that the Funds' strategies will be successful.

The tasks of identifying investment opportunities and managing private fund investments are difficult. There can be no assurance that a Fund will be able to make and/or realize any particular investment or that the Funds will be able to generate returns for their investors.

The marketability and value of any such investments will depend upon many factors beyond the control of the Funds. In addition, there can be no assurance that any investor will receive any distribution from a Fund. Investing in the Funds involves a risk of loss that investors should be prepared to bear. Investors in the Funds are requested to refer to the Governing Documents of the applicable Fund for complete information on investment strategies employed by the Fund and the corresponding risks associated with such investment strategies. Investors in the Funds should carefully consider, among other factors, the following material risks involved with AAML's investment strategies.

## **Investment Strategy Risks**

As with any investment, there is no guarantee that a portfolio will achieve its investment objective. Investing in securities involves risk of loss that clients should be prepared to bear. However, clients should be aware that not all of the risks listed below will pertain to every account as certain risks may only apply to certain strategies. It is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held. Given the volume of new rules and regulations in the industry, we are continuously reviewing the application of our risks.

While we seek to manage accounts so that risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and other investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients and other investors should read carefully all applicable informational materials and offering/Governing Documents, including offering memorandums and prospectuses prior to retaining ASI to manage an account or investing in any ASI investment product.

Clients and other investors should be aware that while ASI does not limit its advice to particular types of investments, mandates may be limited to certain types of securities or to the recommendation of investment advisers or managed funds, and may not be diversified. The accounts managed by ASI are generally not

intended to provide a complete investment program for a client or investor. Clients and other investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

Below is a summary of the material risks associated with our significant strategies and methods of analysis. Not all possible risks are described below.

Adjustable Rate Risk – Adjustable rate securities are securities that have interest rates that are reset at periodic intervals, usually by reference to some interest rate index or market interest rate. Some adjustable rate securities are backed by pools of mortgage loans. Although the rate adjustment feature may act as a buffer to reduce sharp changes in the value of adjustable rate securities, these securities are still subject to changes in value based on changes in market interest rates or changes in the issuer's creditworthiness. Because the interest rate is reset only periodically, changes in the interest rates on adjustable rate securities may lag changes in prevailing market interest rates. Also, some adjustable rate securities (or, in the case of securities backed by mortgage loans, the underlying mortgages) are subject to caps or floors that limit the maximum change in interest rate during a specified period or over the life of the security. Because of the resetting of interest rates, adjustable rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase significantly in value when market interest rates fall.

Allocation Risk – The allocation among different investment opportunities may have a significant effect on a portfolio's value when one of these investments is performing more poorly than others. There will be transaction costs which may be significant over time because both the direct investments and derivative positions will be adjusted periodically to reflect our view of market and economic conditions. In addition, there is a risk that certain allocation decisions may not achieve the desired results and, consequently, a portfolio may incur losses.

Bank Loans – Bank loans include floating and fixed rate debt obligations. Floating rate loans are debt obligations issued by companies or other entities with floating interest rates that reset periodically. Floating rate loans are secured by specific collateral of the borrower and are senior to most other securities of the borrower (e.g., common stock or debt instruments) in the event of bankruptcy. Floating rate loans are often issued in connection with recapitalizations, acquisitions, leveraged buyouts, and refinancing. Floating rate loans are typically structured and administered by a financial institution that acts as the agent of the lenders participating in the floating rate loan. Floating rate loans may be acquired directly through the agent, as an assignment from another lender who holds a direct interest in the floating rate loan, or as a participation interest in another lender's portion of the floating rate loan.

Borrowing Risk – Borrowing creates leverage. The use of leverage may subject investments to additional risk and could magnify losses. It also adds to any given portfolio expenses, and at times could effectively force a portfolio to sell securities when it otherwise might not want to do so.

Business Continuity Risk – We have adopted a business continuity plan to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers or networks. The plan is designed to limit the impact on clients from any business interruption or disaster, including those related to third party service providers. Nevertheless, our ability to conduct business may be curtailed by a disruption in the infrastructure that supports our operations and the regions in which our offices are located. While ASI and its service providers have established business continuity plans in the event of, and risk management systems to prevent, such incidents, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. The firm may be subject to adverse effects caused by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred). A pandemic, epidemic or other public health concern, natural disaster, the occurrence of terrorism, military, geopolitical and other actions, may result in loss of life, property damage, and disruptions to commerce and reduced economic activity. Investments may be adversely affected by declines in the equity markets, changes in interest rates, reduced liquidity and economic activity caused by force majeure events. Additionally, events that impact infrastructure (physical infrastructure, telecommunications, transportation) could have a material effect on sales, liquidity and the ability for the firm to perform its obligations to clients.

Cash Flow Risk – The yields available from equity investments in real estate depend in large part on the amount of income generated and expenses incurred. If the investments do not generate revenues sufficient to meet operating expenses, including debt service, tenant improvements, leasing commissions and other capital expenditures, clients may be required to fund or borrow additional amounts to cover fixed costs, and the cash flow of such client account (and, with respect to investment funds, its ability to make distributions to shareholders) will be adversely affected. Although each client will be investing in a range of investments, all real estate investments are speculative in nature and the possibility of partial or total loss of capital exists.

Collateralized Loan Obligations (“CLOs”) – CLOs are trusts or other special purpose entities that are backed by a pool of loans. Such loans may include domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, some of which may be below investment grade or equivalent unrated loans. CLOs issue classes or “tranches” that vary in risk and yield, and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO securities as a class. The risks of CLOs depend largely on the type of the underlying loans and the tranche of CLOs in which the client invests. In addition, CLOs carry risks including interest rate risk, credit risks and default risk. Certain CLOs may not hold loans directly, but rather, use derivatives such as swaps to create “synthetic” exposure to the collateral pool of loans.

Commitment Strategy Risks – With respect to Private Market Funds, AAML may expect certain funds in which it invests to draw down less capital than a client has committed to those funds. If the relevant ASI related person decides it is in the best interest of the client to fully deploy the total capital commitments of the client, such ASI related person may make aggregate commitments to funds that exceed the aggregate capital commitments of the client. Although AAML and its affiliates will monitor cash flow projections closely, there can be no assurance that any client will be able to meet all of its commitments to the funds or otherwise successfully implement its commitment strategy. If a client is not able to meet all of its commitments to the funds, such client may be subject to penalties arising under the terms of its contractual commitments with respect to its investment in funds, including, without limitation, being required to sell its interest in a Private Market Fund or forfeiting a portion of its investment in an investment fund. In such cases, the client’s return from such fund could be materially lower than it would have been had the client been able to meet all of its commitments.

Competitive Investment Environment – The activity of identifying, completing and realizing limited offering investments is highly competitive and involves a high degree of uncertainty. We may, at times, be in competition with other funds and managers with similar investment objectives for the acquisition of the same targets.

Conflicts of Interest – Due to the structure of AAML, it is possible that we may hold or trade the same securities and instruments as our underlying fund managers in which we invest. Additionally, we may utilize similar techniques and strategies as those adopted by our underlying fund managers. As a result, we may directly or indirectly compete with our underlying managers and investment vehicles on an “arm’s length” basis. In the event that knowledge of a conflict of interest does arise, we will endeavor to ensure that it is resolved fairly and at arm’s length.

Concentration Risk – The risk that if a portfolio concentrates its investments in issuers within the same country, state, industry or economic sector, an adverse economic, business or political development may affect the value of the portfolio’s investments more than if its investments were not so concentrated.

Convertible Bond Arbitrage – Underlying fund managers may engage in convertible bond arbitrage and the positions intended to offset one another may not move as expected. In addition to the risks associated with fixed income, these types of strategies have risks associated with equity investments. Although the underlying fund manager is expected to hedge all equity exposure, there can be no assurance that such exposures won’t exist or that such hedges will be effective.

Convertible Securities Risk – The value of a convertible security will vary based on the perceived value of the equity security underlying the convertible security. Convertible securities are frequently issued with a call feature that allows the issuer to choose when to redeem the security, which could result in the accounts

being forced to redeem, convert, or sell the convertible security under circumstances unfavorable to the accounts. In addition, if the value of the equity security underlying the convertible security declines enough, the convertible security is more likely to be valued as a debt security and subject the accounts to the risks of debt securities as described herein.

Counterparty Risk – A portfolio may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, it deals in connection with the investment of its assets, whether engaged in exchange-traded or off-exchange transactions.

Credit Lines – The general partner may utilize a capital call line of credit to fund investments and to pay expenses and other liabilities. Although the general partners intend to use each Fund's capital call line of credit primarily for administrative convenience to reduce the overall number of capital calls from the limited partners and avoid having excess cash on hand, each Fund's net IRR may be higher than it would be in the absence of such capital call line of credit, since each Fund's net IRR may will be based on the time limited partner contributions are actually made and use of the capital call line of credit will delay such contributions. The Funds (and indirectly its partners) will bear any interest expense, fees or other cost in connection with such capital call line of credit.

The capital call line of credit may provide the lender with certain rights, which the general partner expects to include, among others, the right to call capital from the partners in the event of a default and, in the event of failure by a limited partner to fully fund its capital contributions to the Funds when due, the right to exercise certain default remedies directly against such limited partner.

Credit/Default Risk – An issuer or guarantor of a fixed income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

Credit Spread Risk – Changes in credit spreads will affect the value of financial instruments. Credit spreads represent the credit risk premiums required by market participants for a given credit quality. When credit spreads widen, the value of investments in fixed income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Credit spreads can be driven by macroeconomic factors as well as issue specific factors.

Cross-Class Liabilities – If the investment vehicle held by an underlying manager offers multiple share classes, there is the potential that losses in a share class not held may have an adverse effect on its NAV.

Currency Hedging Risks – There can be no guarantee or assurance that any attempt to protect against adverse currency movements will be successful. As such, hedging transactions may result in a poorer overall performance and any realized loss resulting from these currency hedging strategies may also affect the level of redemptions required of our underlying managers. In extreme circumstances, this may result in the concentration of the underlying manager's investments in less liquid or illiquid investments.

Currency Risk – Fluctuations in currency exchange rates may negatively affect the value of your portfolio's investments or reduce its returns.

Cyber Security Risk – ASI, like all companies, may be susceptible to operational and information security risks. Breaches in cyber security include, among other behaviours, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber-attacks. Cyber security failures or breaches of ASI or its service providers or the issuers of securities in which ASI invest have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of ASI's clients to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage,

reimbursement or other compensation costs, and/or additional compliance costs. ASI and its clients could be negatively impacted as a result.

Debt Securities Risk – Debt securities in which an account may be invested may be unrated or lower-rated, and may have a risk profile closer to that of an equity security. Compared to other debt securities, those issues with the lowest investment-grade ratings (often called "junk bonds") are considered to have speculative characteristics. Debt securities that are below investment grade or unrated generally are considered predominately speculative with respect to the issuer's capacity to pay interest and repay principal according to the terms of the obligation and, therefore, carry greater investment risk, including the possibility of default and bankruptcy. They are likely to be less marketable and more adversely affected by economic downturns than high-quality debt securities. The accounts may invest in debt securities without considering the maturity of the instrument. Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities can be more sensitive to interest rate changes. Therefore, changes in interest rates both in the U.S. and outside the U.S. may affect the accounts' debt investments unfavorably.

Depository Receipts – Depository receipts may be issued in a sponsored program, where an issuer has made arrangements to have its securities traded in the form of depository receipts, or in an unsponsored program, where the issuer may not be directly involved. The holders of depository receipts that are unsponsored generally bear various costs associated with the facilities, while a larger portion of the costs associated with sponsored depository receipts are typically borne by the foreign issuers. Investments in unsponsored depository receipts may be subject to the risks that the foreign issuer may not be obligated to cooperate with the U.S. depository, may not provide additional financial and other information to the depository or the investor, or that such information in the U.S. market may not be current. The depository of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited securities or to pass through the voting rights to facility holders with respect to the deposited securities. Available information concerning the issuers may not be as current for unsponsored depository receipts and the prices of unsponsored depository receipts may be more volatile than would be the case if the receipts were sponsored by the issuers.

Derivatives Risk – Derivatives are financial instruments that have a value which depends upon, or is derived from, the value of something else, such as one or more underlying securities, pools of securities, options, futures, indexes or currencies. Derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for your portfolio, and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, your portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses.

Gains or losses involving derivative instruments may be substantial, because a relatively small price movement in the underlying security(ies), instrument, currency or index may result in a substantial gain or loss. Derivatives will typically increase exposure to the principal risks to which a fund or client is otherwise exposed, and the following additional risks:

- Counterparty credit risk – A counterparty to the derivative instrument becomes bankrupt, insolvent, enters administration, liquidates or otherwise fails to perform its obligations due to financial difficulties, and the Fund may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed.
- Hedging risk – derivative instruments used to hedge against an opposite position may offset losses, but they may also offset gains.
- Correlation risk – There may be an incomplete correlation between the hedge and the opposite position, which may result in increased or unanticipated losses.
- Liquidity risk – An instrument may be difficult or impossible to sell or terminate, which may cause the client to be in a position to do something we would not otherwise choose, including accepting a lower price for the derivative instrument, selling other investments or forgoing another, more appealing investment opportunity.
- Leverage risk – Losses from the derivative instrument may be greater than the amount invested in the derivative instrument.

Deterioration of Market Conditions – In the case of extreme and continued market disruptions, attractive investment returns may be adversely affected. Continued market disruption or deterioration of market conditions and uncertainty could result in decreases in the market values of existing or potential investments. Additionally, liquidity may be affected, resulting in the inability to sell or liquidate investments at favorable times or prices. These circumstances may adversely impact the ability to meet investment objectives.

Dilution Levy Risk – Investment in underlying funds may subject the investor to dilution levies, which are fees charged by fund managers on investors buying and selling units in a fund. These fees may be applied at any combination of the purchase and sale of a unit and may have adverse effects on the returns of the investment.

Distressed Investments – Underlying fund managers may invest in securities and obligations of companies that are experiencing financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These investments involve a substantial degree of risk and may not compensate investors adequately for the risks they assume. Due to the degree of complexity and unpredictability of bankruptcy and other insolvency proceedings, investors may be adversely affected.

Due Diligence Process – The due diligence process that we intend to undertake may not reveal all material facts or circumstances. Any due diligence process involves subjective analysis and there can be no assurance that this process will reveal all issues related to the potential allocation of assets to underlying fund managers.

Early Termination of Portfolio Funds – The governing documents of many of the portfolio funds are expected to include provisions that would enable the general partner, the manager, or a percentage in interest of the limited partners to terminate such portfolio funds prior to the end of their respective stated terms. Early termination of a portfolio fund may result in (i) the Funds receiving distributions of immature or illiquid securities or (ii) the Funds' inability to invest all of its committed capital as anticipated, either of which could have a material adverse effect on the performance of the Funds. Moreover, a portfolio fund may, among other things, in certain circumstances be permitted to terminate the Funds' interest in such portfolio fund.

Effect of Substantial Redemptions – Occasionally, investors may make large redemptions or purchases in fund, which may cause the fund to have to sell securities or invest additional cash. These transactions may adversely affect a fund's performance and increase transaction costs. In addition, for fund of funds, redemptions by investors in the underlying funds held by a strategy within a short period of time may require the underlying fund manager to liquidate positions more rapidly than desired. This may lead to a reduction in value of the underlying funds' assets or a disruption of the investment strategy. Additionally, this may lead to an increase in the concentration of the underlying funds in illiquid assets which could, in turn, reduce the liquidity of the shareholder's position.

Event Arbitrage – Arbitrage opportunities may exist in securities which are subject to tender offers, exchange offers, mergers, liquidations, reorganizations, bankruptcies or other extraordinary corporate transactions. Although it is expected that the underlying fund managers hedge such exposures, there can be no guarantee that these hedges will either be in place or be effective.

Emerging Markets Risk – Foreign investment risk may be particularly high if a portfolio invests in emerging market securities that are economically tied to countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign countries.

Equity Securities Risk – Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, preferred stocks, convertible stocks and warrants. The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have



greater price volatility than fixed income securities. Your portfolio at any point in time may be worth less than the amount that you invested, even after taking into account the reinvestment of dividends and distributions. Regardless of how well an individual investment performs, if financial markets go down, you could lose money.

Focus Risk – A portfolio which invests a larger percentage of its assets in a relatively small number of issuers may be subject to greater risks than a more diversified account. That is, a change in the value of any single investment held by a portfolio may affect the overall value of the account more than it would affect an account that holds a greater number of investments.

European Union Uncertainty – In June 2016, voters within the United Kingdom participated in a national referendum and voted in favor of leaving the European Union. Under the process for leaving the European Union contemplated in article 50 of the Treaty on European Union, the United Kingdom formally notified the European Council of its intention to leave the European Union on 29 March 2017 triggering a two year period during which the United Kingdom would remain in the European Union meaning that it is likely that the United Kingdom will cease to be a member of the European Union on 29 March 2019 subject to any further transitional arrangements being agreed and a withdrawal agreement being entered into between the United Kingdom and the remaining European Union member states. At this stage there is no certainty as to whether such agreement will be reached or as to the terms of the same. Given the size and importance of the United Kingdom's economy, uncertainty or unpredictability about its legal, political and economic relationship with Europe after it leaves the European Union may continue to be a source of instability, create significant currency fluctuations, and/or otherwise adversely affect global markets, arrangements for trading or other existing cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future including beyond the date of the United Kingdom's withdrawal from the European Union. The outcome of the national referendum could also have a destabilizing effect if other member states were to consider the option of leaving the European Union. For these reasons, the decision of the United Kingdom to leave the European Union could have adverse consequences on the Fund, the performance of its investments, and its ability to fulfil its investment objectives.

Foreign (Non-U.S.) Risk – A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. The prices of these securities may fluctuate more widely and may be less liquid due to adverse market, economic, political, regulatory or other factors.

Forward Commitment Risk – When a portfolio engages in when-issued, delayed delivery or forward commitment transactions (e.g., "to be announced" securities or TBAs), the portfolio relies on the counterparty to consummate the sale. Failure to do so may result in the strategy missing the opportunity to obtain a price or yield considered to be advantageous. Such transactions may also have the effect of leverage on the strategy and may cause it to be more volatile. Additionally, these transactions may create a higher portfolio turnover rate.

Forward Foreign Currency Contracts – We may enter into forward foreign currency contracts, which are types of derivative contracts whereby we may agree to buy or sell on behalf of a client a country's currency at a specific price on a specific date, usually 30, 60, or 90 days in the future for a specific exchange rate on a given date. These contracts may, however, fall in value due to foreign market downswings or foreign currency value fluctuations. A fund or client may enter into forward foreign currency contracts for investment purposes, for risk management (hedging) purposes, and to increase flexibility, depending on the mandate. A fund's or client's investment of hedging strategies may be unable to achieve their objectives. These risks are in addition to the general "Derivatives Risks" described above.

Futures Contracts – We may enter into futures contracts on behalf of client accounts, including currency, bond, commodity, index and interest rate futures, for investment purposes, for risk management (hedging) purposes, and to increase flexibility. The volatility of futures contracts prices has been historically greater than the volatility of stocks and bonds. The liquidity of the futures markets depends on participants entering into off-setting transactions rather than making or taking delivery. To the extent participants decide to make or take delivery, liquidity in the futures market could be reduced. In addition, futures exchanges often impose a maximum permissible price movement on each futures contract for each trading session. A client's account may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement.

General Partner Risk – Governing Documents often limit the circumstances under which a general partner, manager and their affiliates can be held liable to a private fund. As a result, investors may have a more limited right of action in certain cases than they would otherwise have in the absence of this provision.

Growth Investing Risk – As a category, growth stocks may underperform value stocks (and the stock market as a whole) over any period of time. Because the prices of growth stocks are based largely on the expectation of future earnings, growth stock prices can decline rapidly and significantly in reaction to negative news about such factors as earnings, the economy, political developments, or other news.

High Yield Risk – Portfolios that invest in high yield securities, lower-rated or unrated securities, may be subject to greater levels of credit and liquidity risk than accounts that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and lead to liquidity risk. If the issuer of a security is in default with respect to interest or principal payments, an account may lose its entire investment.

Impact of the AIFM Directive – Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the "AIFM Directive") entered into force on July 21, 2011, and took effect on July 22, 2013. The AIFM Directive applies to (a) alternative investment fund managers (each, an "AIFM") established in the European Economic Area ("EEA") (as it is expected that Liechtenstein will implement the AIFM Directive) who manage EEA or non-EEA alternative investment funds (each, an "AIF"), (b) non-EEA AIFMs who manage EEA AIFs, and (c) non-EEA AIFMs who market their AIFs within the EEA. European secondary implementing legislation has now been adopted, and individual EEA member states were required to have implemented the AIFM Directive into domestic law by July 22, 2013. Although the AIFM Directive only governs the marketing of AIF interests to professional investors, EEA member states may impose the same or stricter conditions on the marketing of AIF interests to "retail" investors, including some high net worth individuals. EEA member states may also impose stricter conditions on the marketing of non-EEA AIFs, such as the Fund, which may potentially limit the General Partner's ability to market the Fund in the EEA or increase the costs borne by the Fund in doing so.

The AIFM Directive, related European and national legislation and interpretive rules present the potential for additional compliance costs being borne by the Fund (and therefore by the Limited Partners), and adverse impact on the operating flexibility of ASI and the General Partner and the ability of the Fund to source deals because of many of the AIFM Directive's provisions. The AIFM Directive imposes operational requirements that will restrict ASI, the General Partner and the Fund from engaging in certain activities and impose certain other requirements that may restrict their operations (including the ability of the General Partner and ASI to market the Fund in the EEA) and increase the operating expenses of the Fund. For example, the AIFM Directive imposes disclosure and reporting requirements to both investors and regulators. ASI and the General Partner may be required to provide to regulators, among other things, information regarding the liquidity of the Fund's assets and information regarding the Fund's risk profile and leverage, if any, on an ongoing basis. ASI and the General Partner may also be required to provide to regulators information regarding the main categories of assets in which the Fund has invested.

Further, ASI and the General Partner may be restricted from marketing the Fund in the EEA, unless, among other things, relevant U.S. regulators have signed cooperation agreements for the purpose of systemic risk oversight with the relevant EEA competent authority in each EEA member state in which the Fund is proposed to be marketed.

The General Partner reserves the right to restructure the Fund and the arrangements associated with the operation and management of and investment with the Fund to take account of the requirements or impact of the AIFM Directive on the subject matter of this Memorandum.

Inflation-Indexed Bond Risk – Any rise in interest rates may cause inflation-indexed bonds to decline in price, hurting the portfolio's performance. If interest rates rise owing to reasons other than inflation, the portfolio's investment in these securities may not be fully protected from the effects of rising interest rates.

The performance of any bonds that are indexed to non-U.S. rates of inflation may be higher or lower than those indexed to U.S. inflation rates. A portfolio's actual returns could fail to match the real rate of inflation.

Initial Public Offering ("IPO") Risk – Prices of securities bought in an IPO may rise and fall rapidly, often because of investor perceptions rather than economic reasons.

Insurance Risk – When owning or managing properties, there are additional risks that might not present themselves as compared to traditional asset classes. While the properties may in some cases be insured, this is no way an insurance of investment or principal and there are various uninsured and/or uninsurable risks that are present (such as natural disaster) and therefore investment carries greater risk of loss.

Inside Information – From time to time, we may come into possession of material, non-public information concerning an entity in which an account has invested, or proposes to invest. Possession of that information may limit our ability to buy or sell securities of the entity on behalf of a client.

Issuer Risk – The value of an investment may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

Interest Rate Risk – Changes in interest rates will affect the value of a portfolio's investments in fixed income securities. When interest rates rise, the value of investments in fixed income securities tend to fall, and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.

Inverse Floating Rate Securities Risk – The interest payment received on inverse floating rate securities ("inverse floaters") generally will decrease when short-term interest rates increase. Inverse floaters are derivatives that involve leverage and could magnify a client's gains or losses.

Investment Company and Exchange-Traded Fund ("ETF") Risk – An investment in an investment company or ETF involves substantially the same risks as investing directly in the underlying securities. An investment company or ETF may not achieve its investment objective or execute its investment strategy effectively, which may adversely affect your portfolio's performance. A portfolio must pay its pro-rata portion of an investment company's or ETF's fees and expenses. Shares of a closed-end investment company or ETF may trade at a premium or discount to the net asset value of its portfolio securities.

Issuer Risk – The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

Key Person Risk – Underlying funds are generally reliant on certain key investment personnel employed in managing assets. Termination, disability, death, or departure of key personnel could adversely affect the underlying fund and its performance.

Legal, Tax, and Regulatory Risk – Legal, tax and regulatory changes may occur in the future that may adversely affect investors. The effects of any future regulatory change are impossible to predict and could have substantial adverse effects on both investors and investment strategies.

Limited Capacity Opportunities – We manage assets for multiple portfolios that may from time to time have overlapping investment mandates. Where an investment opportunity is of limited capacity, an allocation process will need to ensure each of the competing accounts is treated equitably over time in determining whether an account may participate and to what extent.

Limited Operating History – At times, as we launch new strategies, certain of our investment teams may have a limited operating history and little or no past performance in the strategy they manage.

Limits on Hedged Strategies – While certain underlying managers, in whose funds our funds of funds may invest, may use “market neutral” or “relative value” hedging or arbitrage strategies, this in no respect should be taken to imply that the fund’s investments with such money underlying managers are without risk. Substantial losses may be recognized on “hedge” or “arbitrage” positions, and illiquidity and/or default on one side of a position can effectively result in the position being changed. Every market neutral or relative value strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrant, the yield spread between similar term government bonds, or the price spread between different classes of stock for the same underlying firm. Further, many “market neutral” investment managers employ limited directional strategies that expose such money managers to certain market risk.

Liquidity Risk – In certain situations, it may be difficult or impossible to sell an investment in an orderly fashion at an acceptable price. This includes investors in funds that may lock them up, possibly for multiple years. Investors in such funds must be able to bear the risk of investment for an extended period of time.

Managed Futures Strategy/Commodities Risk – Exposure to the commodities markets (including financial futures markets) through investment in managed futures programs may cause greater volatility than investments in traditional securities. Prices of commodities and related contracts may fluctuate significantly over short periods for a variety of reasons, including changes in interest rates, supply and demand relationships and balances of payments and trade; weather and natural disasters; and governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies. The commodity markets are subject to temporary distortions and other disruptions. U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices which may occur during a single business day. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices.

Management Risk – We will apply our investment techniques and risk analyses in making investment decisions for your portfolio, but there is no guarantee that our techniques will produce the intended results. For research or investment techniques that incorporate or rely upon quantitative models, there is no guarantee that these mathematical models will generate accurate forecasts, reduce risks or otherwise produce the intended results.

Market Capitalization Risk (Small-, Mid- and Large-Cap Stocks Risk) – To the extent an investment emphasizes small-, mid-, or large-cap stocks, it takes on the associated risks. At any given time, any of these market capitalizations may be out of favor with investors. Compared to small- and mid-cap companies, large-cap companies may be less responsive to changes and opportunities, but their returns have sometimes led those of smaller companies, often with lower volatility. The stocks of small- and mid-cap companies may fluctuate more widely in price than the market as a whole, may be difficult to sell when the economy is not robust or during market downturns, and may be more affected than other types of stocks by the underperformance of a sector or during market downturns. In addition, compared to large-cap companies, small- and mid-cap companies may depend on a more limited management group, may have a shorter history of operations, and may have limited product lines, markets or financial resources. There may also be less trading in small- or mid-cap stocks, which means that buy and sell transactions in those stocks could have a larger impact on a stock’s price than is the case with large-cap stocks.

Market Risk – The value of a portfolio’s assets will fluctuate along with the markets. The value of your investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Mortgage-Related and Other Asset-Backed Securities Risk – Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. Consequently, in a period of rising interest rates, if an account holds mortgage-related securities, it may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of an account because the account may have to reinvest that money at the lower prevailing interest rates. A portfolio’s investments in other asset-backed securities are subject to risks similar

to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

Multi-Jurisdictional Investment – The investments we make may be subject to a variety of jurisdictions, each of which may have unique economic, political, social, cultural, business and labor environments, laws, regulations, accounting practices and business customs. These differences may be considerable and no single method of investment can be applied uniformly or be expected to produce uniform results.

Multi-Manager Investing Risk – A fund-of-fund strategy's relative performance is subject to the investment decisions made by each underlying fund or manager. The performance of a small number of underlying funds or managers could affect overall performance. Additionally, underlying funds may compete with one another from time to time for the same positions in the market and may potentially hold opposite positions in the same securities. Consequently, there can be no assurance that a diversification strategy implemented will be successful.

Our funds of funds will seek to obtain diversification by investing with a number of different investment managers with diverse strategies. However, since our funds will allocate their assets to the multiple investment managers who make their trading decisions independently, it is possible that various underlying managers may take substantial positions in the same security or group of securities at the same time.

Multiple Levels of Fees and Expense Risk – Funds-of-funds and multiple manager strategies will generally incur certain fees at two levels: the funds of funds vehicle and the underlying funds themselves. These fees potentially include both management and performance fees, which may increase the expense of the strategy, thus affecting investor returns. Additionally, investor returns may be adversely affected during periods in which there are overall portfolio losses due to the potential that performance fees may be earned by one or more of the underlying portfolio managers.

Municipal Securities Risk – A portfolio may be impacted by events in the municipal securities market. Negative events, such as severe fiscal difficulties, an economic downturn, unfavorable legislation, court rulings or political developments, or reduced monetary support from the federal government, could hurt a portfolio's performance. In addition, a portfolio may own auction rate securities (ARS) from time to time. These securities are long term bonds that have coupons that reset on a weekly or monthly basis at a dutch auction process and are subject to auction fail risk. In the event of a failed auction, the coupon is set to a fail rate which is outlined in the securities prospectus. A failed auction may or may not impact the liquidity of the security.

No Voluntary Withdrawal – Voluntary withdrawals from the Private Market Funds are not permitted, except in the limited instances set forth in the Fund agreements. As a result, limited partners will generally not be able to liquidate their investments in the Private Market Funds prior to the end of each Fund's term. A withdrawing limited partner may not be entitled to immediate payment for its interest. Any withdrawal of a limited partner may reduce the amount of capital available for investment or other activities.

Non-Discretionary Account Risk – There may be circumstances where ASI provides positive advice in writing concerning an underlying fund or manager, but a non-discretionary client chooses not to act on that advice. ASI may or may not have made a discretionary investment in or with the underlying fund or manager for its discretionary clients. If, subsequently, ASI's opinion of such underlying fund or manager changes and ASI decides to redeem from the underlying fund or manager on behalf of its discretionary clients, ASI may or may not inform its non-discretionary advisory clients of the decision to redeem. Therefore, advisory clients should not rely on stale advice from ASI to make investments in or with underlying funds or managers.

Non-Diversification Risk – A portfolio may invest in securities of a relatively few issuers. Therefore, the performance of one or a small number of holdings can affect a portfolio's overall performance.

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

Options – In order for a call option to be profitable, the market price of the underlying security must rise sufficiently above the exercise price to cover the premium and transaction costs. These costs will reduce any profit that might have realized had it bought the underlying security at the time it purchased the call option. For a put option to be profitable, the market price of the underlying security must decline sufficiently below the exercise price to cover the premium and transaction costs. By using put options in this manner, an account will reduce any profit it might otherwise have realized from appreciation of the underlying security by the premium paid for the put option and by transaction costs. If a put option is sold, there is a risk that we may be required to buy the underlying asset at a disadvantageous price. If a call option is sold, there is a risk that we may be required to sell the underlying asset at a disadvantageous price. If an account sells a call option on an underlying asset that an account owns and the underlying asset has increased in value when the call option is exercised, the account will be required to sell the underlying asset at the call price and will not be able to realize any of the underlying asset's value above the call price.

Political and Economic Risk – Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal, fiscal, regulatory and/or market reforms.

Preferred Stock Risk – Preferred stocks include convertible and non-convertible preferred and preference stocks that are senior to common stock. Preferred stocks are equity securities that are senior to common stock with respect to the right to receive dividends and a fixed share of the proceeds resulting from the issuer's liquidation. Some preferred stocks also entitle their holders to receive additional liquidation proceeds on the same basis as holders of the issuer's common stock, and thus represent an ownership interest in the issuer. Depending on the features of the particular security, holders of preferred stock may bear the risks disclosed herein regarding equity or fixed income securities.

Pricing Risk – If market conditions make it difficult to value some investments, we may internally value these investments using more subjective methods such as fair value pricing. In these cases, the value determined for an investment could differ from the value realized upon such investment's sale.

In our funds of funds, we will have no ability to assess the accuracy of the valuations received from an underlying investment manager. Furthermore, the net asset values or other valuation information received by us from such underlying investment managers will typically be estimated, subject to revision through the end of each Investment Fund's annual audit. Revisions to the gain and loss calculations will be an ongoing process, and no net capital appreciation or depreciation figure can be considered final until the annual audit of each underlying fund is completed.

Real Estate Risk – We will be subject to the risks inherent in the ownership, operation, repositioning and development of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real estate property; general and local economic conditions; the supply and demand for properties; the competition for real estate assets; energy and supply shortages; fluctuations in the average occupancy and room rates for hotel properties; the financial resources of tenants, buyers and sellers; changes in building, environmental and other laws and/or regulations; changes in real estate property tax rates; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; negative developments in the economy that depress travel activity; environmental liabilities; contingent liabilities on disposition of assets; uninsured or uninsurable casualties; natural disasters, terrorist attacks; and war and other factors which are beyond our control. There is no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by our firm or our investments.

Repurchase Agreements Risk – In the instance that an underlying fund manager enters into a repurchase agreement for a security, there can be no guarantee that the transferee of the securities in the agreement will not default. Therefore, any investment of the sort bears the risk of default of the transferee.

Restrictions on Transfer and Illiquidity of Shares – The shares held in private funds, including funds of funds and the underlying funds are generally not registered under any securities laws and, therefore, cannot be resold in a public market. Consequently, investors do not have the right to withdraw their investment other than in accordance with the prescribed redemption procedures of the underlying funds. These redemption

procedures may be suspended due to certain circumstances that could further affect withdrawals. This potential illiquidity of shares could adversely affect NAV and result in delays in receiving redemptions. Investors may at times be restricted from redemption from certain of our private funds.

Short Sale Risk – Short sales are subject to special risks. A short sale involves the sale by an account of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. An account may also enter into a short position through a forward commitment or a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the account will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

Short Term Trading Risk – Short-term trading may result in increased turnover, higher than normal brokerage commissions (including soft commissions) and other expenses.

Swaps/Contracts for Differences – Swaps/Contracts for Differences involve greater risks than direct investment in the underlying securities, because swaps are subject to the risks related to “Derivatives” described above, including counterparty credit risk. These transactions or instruments are also subject to the particular risk that they could result in losses if the underlying asset or reference does not perform as anticipated. In a total return swap or contract for differences transaction, one party agrees to pay the other party an amount equal to the total return of a defined underlying asset (such as an equity security or basket of such securities) or a non-asset reference (such as an index) during a specified period of time. In return, the other party would make periodic payments based on a fixed or variable interest rate or on the total return from a different underlying asset or non-asset reference. Such transactions can have the potential for unlimited losses.

Tax Risk – Tax laws and regulations applicable to an account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. Investors should consult their own tax advisers to determine the potential tax-related consequences of investing.

Underlying Manager Risk – Funds of funds, including investments in the the Alternative Investment Strategy, will directly invest in underlying funds managed by third-party managers that may or may not be affiliated with us and over which we do not exercise control. Therefore our funds will not have an active role in the day-to-day management of the underlying funds. Underlying managers may not be registered as investment advisers with the U.S. SEC and their funds may not be registered as investment companies. Moreover, our funds will generally not have an opportunity to evaluate the specific investments made by underlying funds. As a result, the return of our funds will depend in large part on the performance of these unrelated third-party managers.

It is expected that in the instance of the redemption of assets or termination of an underlying manager, the resultant assets and cash proceeds will be invested with a replacement underlying manager. This could result in increased turnover rates and higher corresponding brokerage fees and commissions.

Underlying funds in which our funds of funds, including the Alternative Investment Strategy, invest are generally subject to the same risks disclosed elsewhere in this brochure. Some of the risks that managers of underlying funds, including in the the Alternative Investment Strategy, are subject to include:

- style drift;
- regulatory risks;
- counterparty default;
- changes in interest rates;
- departure of key personnel; and
- redemptions from the underlying manager’s funds.

Value Investing Risk – As a category, value stocks may underperform growth stocks (and the stock market as a whole) over any period of time. Value investing attempts to identify companies that a portfolio manager believes to be undervalued. Value stocks typically have prices that are low relative to factors such as earnings, cash flow or dividends. A value investing style may perform better or worse than equity portfolios that focus on growth stocks or that have a broader investment style.

Volatility Risk – The prices of commodities contracts and all derivatives, including futures and options, can be highly volatile. Funds are subject to the risk that trading activity in securities in which the funds invest may be dramatically reduced or cease at any time, whether due to general market turmoil, problems experienced by a single issuer or a market sector or other factors. If trading in particular securities or classes of securities is impaired, it may be difficult for a fund to properly value any of its assets represented by such securities.

Warrants and Rights Risk – A strategy may purchase or otherwise receive warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. A strategy may use warrants and rights in a manner similar to its use of options on securities. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit a strategy's ability to exercise the warrants or rights at such time, or in such quantities, as the strategy would otherwise wish.



## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of AAML or the integrity of AAML's management.

On 3 September 2013, AAML and a sister company, Aberdeen Fund Management Limited, entered into a settlement with the Financial Conduct Authority ("FCA") pursuant to which they agreed to pay a fine of £7,192,500 (approximately \$11,284,000). The matter involved inadvertent breaches of FCA rules concerning the protection of client moneys. From August 2008 to August 2011, AAML failed to properly name money market deposit accounts in third party banks or obtain trust letters identifying clients as the owners of the account assets; however, the accounts often included an alphanumeric code to identify the relevant underlying client. No client money was lost and no clients were adversely affected as a result of the conduct.

The issue was identified by AAML and then reported to the FCA. This was a factor taken into consideration by the FCA when determining the level of penalty, as was the fact that AAML co-operated fully with the FCA and has worked quickly to remediate the matter.

## **Item 10 – Other Financial Industry Activities and Affiliations**

We are committed to providing clients with service of the highest quality and we are guided by the principle that we act in the best interests of our clients. Nevertheless, there are circumstances where client interests conflict with our interests or the interests of other clients. Some of these conflicts of interest are inherent to our business. We have policies and procedures that are designed to ensure that we are always acting in the best interests of our clients.

We are a wholly owned subsidiary of SLA, a global financial services company. We are affiliated with various U.S.-registered investment advisers, broker-dealers, and pooled investment vehicles, among other financial entities. We occasionally may engage in business activities with some or all of these companies, subject to our policies and procedures governing how we handle conflicts of interest. We may use our affiliates to provide other services to our clients to the extent permitted under applicable law.

We provide advice for numerous clients. We may advise some clients or take actions for them that differ from recommendations or actions taken for other clients. We are not obligated to recommend to clients any investments that we may recommend to or purchase or sell for other clients. Our employees regularly share information, perceptions, advice and recommendations about market trends, the valuations of individual securities, and investment strategies, except where prohibited by ethical walls established by us or by applicable law or regulation. Persons associated with us may have investments in securities that are recommended to clients or held in client accounts, subject to compliance with our policies regarding personal securities trading.

AAML has registered under the U.S. Commodity Futures Trading Commission (“CFTC”) with the National Futures Association (“NFA”) as a Commodity Pooled Operator (“CPO”) and as a Commodity Trading Advisor (“CTA”).

### Broker-Dealer and Registered Representatives

Aberdeen Fund Distributors LLC (“AFD”), an affiliate of AAML and a wholly owned subsidiary of Aberdeen Standard Investments Inc., is a limited-purpose broker-dealer formed to distribute our proprietary mutual funds and coordinate the private placement of our private funds. There are no trades executed through AFD. Certain of our management persons are registered, or have an application pending to register, as registered representatives of AFD.

### Investment Companies

We serve as an investment adviser and administrator for a number of U.S. registered investment companies. We also serve as a sub-adviser for various other U.S. registered investment companies.

### Investment Advisers

In rendering investment advisory services, we may use the resources of additional investment adviser subsidiaries of SLA. These affiliates have entered into a MOU with us pursuant to which investment professionals from each affiliate may render portfolio management, research or trading services to our clients. We may share personnel, research and other resources with our affiliated U.S. registered investment advisers (Aberdeen Standard Investments (Asia) Ltd. in Singapore, Aberdeen Standard Investments Australia Ltd. in Australia, Aberdeen Standard Investments Inc. in the US, Standard Life Investments (Corporate Funds) Limited and SL Capital Partners LLP in the United Kingdom) under our personnel sharing procedures. Additionally, Aberdeen Capital Management LLC and ETF Securities Advisors LLC is each a wholly-owned subsidiary of Aberdeen Standard Investments Inc and is each a registered investment adviser with the SEC. ETF Securities Advisors LLC is a CPO registered with the National Futures Association.

In executing trades on behalf of our clients, we may use the resources of our SLA affiliates. These affiliates have entered into a global trading agreement pursuant to which professionals from each affiliate may execute trades on behalf of our clients. The use of affiliates to execute trades under the global trading agreement does not alter or change the entity making investment decisions for the client accounts.

#### Limited Partnerships or Similar Private Funds

We sponsor and serve as investment adviser to several private funds organized as limited partnerships, limited liability companies or non-U.S. entities. AAML and its affiliates may also serve as the general partner or managing member of these private investment vehicles.

Our affiliates registered subsidiaries also serve as investment adviser to certain private funds and provide investment management services to limited partnership vehicles with U.S. investors. These funds may be domiciled in the U.S., as in the case of a Delaware partnership, or outside the U.S., as in the case of a Cayman corporation.

#### Participation in Privately Offered Investment Vehicles

AAML, its affiliates, officers and employees may participate individually in privately offered investment vehicles in which clients are solicited to invest. AAML or its affiliates may act as adviser or general partner (or in a similar capacity) to these investment vehicles, may receive management fees, and may participate in any profits generated by these investment vehicles. Participation by affiliates, officers and employees in such investments on such terms and the receipt of such compensation may be an incentive for such employees to devote an increased amount of time to the management of such vehicles to the detriment of other client account or investment vehicles. ASI has policies and procedures in place to mitigate this conflict.

#### Other Positions

Principals and employees of ASI may serve as officers, advisors, directors or provide comparable management functions for public companies and/or portfolio companies in which clients directly or indirectly invest, as well as for investment institutions that may invest in ASI-managed funds. In addition, such principals and employees may provide other services to public companies and/or portfolio companies and may receive compensation in connection therewith. Principals and employees of ASI may be provided access to confidential information relating to public companies and/or portfolio companies in which clients may directly or indirectly invest. As a result, clients may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the securities of such public companies and/or portfolio companies, which prohibition may have an adverse effect on clients.

#### Selection or Recommendation of Other Advisers

As a manager of fund-of-funds, ASI may select other investment advisers for its clients. Certain of ASI's principals, employees and/or related persons may be invited to serve on the advisory boards of the underlying private equity funds in which clients invest to provide advice on certain conflicts of interest and other matters pertaining to such private equity funds. There may be instances where such persons are asked to vote on issues taking the needs of all investors in such private equity funds into account. Additionally, such persons may receive compensation for such services. Any such compensation will be applied to the appropriate private equity fund to reduce the management fees paid to ASI.

### Business Alliances

Our strategic partnerships and associate businesses play a vital role in our global distribution model as an effective way to reach clients in key markets around the world. The following summary provides an overview of our significant business alliances:

#### *MUTB*

SLA, acting through its subsidiary Aberdeen PLC, has a business alliance with Mitsubishi UFJ Trust and Banking Corporation (“MUTB”), a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc. (“MUFG”), a Japanese banking institution listed on the Tokyo Stock Exchange. Under the terms of the business alliance, MUTB has agreed to promote certain of the Group’s products in the Japanese institutional marketplace. The agreement also gives MUTB exclusive rights to distribute selected products to Japanese institutional investors. The products include emerging market equities, global equities and global fixed income.

#### *Lloyds and Scottish Widows*

Following Aberdeen PLC’s acquisition of Scottish Widows Investment Partnership in 2014, Aberdeen PLC entered into a long-term strategic relationship with Lloyds Banking Group plc (“Lloyds”). This strategic relationship operated across Lloyds’ Wealth, Insurance, Commercial Banking and Retail businesses. On February 15, 2018, SLA announced that Lloyds and Scottish Widows had informed SLA that they intend to review their long term asset management arrangements including those services that are currently undertaken by certain legacy Aberdeen entities. Lloyds and Scottish Widows sent notices to SLA seeking to terminate the investment management arrangements to enable the review to take place. The investment arrangements Lloyds and Scottish Widows sought to terminate included services currently undertaken by certain legacy Aberdeen entities under arrangements agreed by Aberdeen with Lloyds at the time of Aberdeen PLC’s acquisition of SWIP in 2014. The parties later agreed to refer this issue to arbitration and on 18 March 2019 the Arbitration Panel found that the purported terminations were invalid. If Lloyds and Scottish Widows wish to withdraw the assets in question compensation will be payable. SLA is carefully considering the terms of the decision and appropriate next steps. In the meantime, SLA continues to manage the assets in the best interests of Lloyds and Scottish Widows customers.

#### *Phoenix*

On August 31, 2018, SLA announced the completion of the sale of the heritage Standard Life insurance business to Phoenix Group Holdings (Phoenix Group”) and an expansion of the long-term strategic partnership between the two firms, historically entered into by Standard Life. Under the terms of the agreement, SLA and Phoenix Group have agreed to significantly enhance and expand their existing long-term strategic partnership whereby SLA continues as Phoenix Group’s long-term asset management partner for the business acquired by Phoenix Group and the existing arrangements between the parties under which ASI manages £48 billion of assets for Phoenix Group have been extended. The Phoenix Group life companies have committed to review the investment management mandates not currently managed by ASI, subject to normal commercial and governance constraints. On completion SLA received total consideration of £3.24bn, comprising cash consideration of £2.28bn and a shareholding of 19.99% in Phoenix Group. SLA currently owns 19.97% of Phoenix Group.

#### *Virgin Money*

On August 1 2019, SLA announced the completion of the joint venture between Virgin Money UK PLC (Virgin Money) and Aberdeen PLC. The joint venture was formed by the sale by Virgin Money to Aberdeen of 50 per cent (less one share) of Virgin Money Unit Trust Managers Limited which will offer investments and pensions propositions. The joint venture combines Virgin Money’s brand, scale and retail distribution expertise with ASI’s market-leading investment solutions and asset management technology and digital expertise. As a result of the acquisition of Virgin Money in October 2018 by The Clydesdale and Yorkshire Banking Group plc (CYBG) the joint venture will also, over time, offer investment solutions to CYBG’s combined customer base of six million customers.

### *Heng An Standard Life*

Heng An Standard Life (HASL) is a life insurer owned 50% by SLA and based in Tianjin, China. It is not a listed company. It was formed in 2003 as a joint venture between Standard Life plc and Tianjin TEDA International (“TEDA”). TEDA is the Tianjin Economic-Technological Development Area; it is the state owned Tianjin economic enterprise board. HASL has ten provincial branches across 8 provinces and sales offices in over 80 cities and offers a comprehensive suite of health, life and savings products. Assets are predominantly managed by HASL’s in-house investment team. A portion of the assets (predominantly fixed interest assets) is outsourced to Taikang AM. In March 2019 HASL was granted permission to establish a pensions insurance company in China.

### *HDFC AMC*

HDFC Asset Management Company (HDFC AMC) was established in 1999 as a joint venture between HDFC Ltd (one of India’s leading housing finance companies) and Standard Life Investments Ltd. It completed a successful IPO on the Indian stock market in August 2018. SLA currently owns 29.96% of the company (through SLI Ltd), which is a leading Indian asset manager with a successful track record in equity investment and multi-channel distribution network. HDFC AMC provides investment advisory services for one foreign open-ended investment product managed by our affiliate Standard Life Investments Ltd.

### *HDFC Life*

HDFC Life Insurance Company Limited (HDFC Life) was established in 2000 and is a joint venture between HDFC Ltd and SLA via a Mauritian subsidiary company, Standard Life Mauritius Holdings 2006 Limited (SLMH06 Ltd). It completed a successful IPO on the Indian stock market in November 2017. Through SLMH06SLA currently owns 14.74% of the company, which is one of India’s leading life insurance companies. It sells a wide range of products including traditional insurance, savings, pensions, protection and health products through distribution channels including bancassurance, agency and brokers. HDFC Life has its own asset management company, as required by Indian regulation.

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

### Code of Conduct and Personal Trading

From time to time, ASI or our directors, officers, employees or affiliates may, directly or indirectly, have interests in securities owned by or recommended to our clients. These situations may represent a potential conflict of interest, so we have adopted a Code of Conduct (the Access Person Code of Conduct, herein the “Code”), in accordance with Rule 204A-1 of the Adviser’s Act, to govern personal transactions by our directors, officers, and employees (“Access Persons”) in order to ensure that their interests do not conflict with the interests of our clients.

The Code mitigates potential conflicts of interest by requiring, among other things, pre-clearance of transactions in Reportable Securities (as defined in the Code) placed in reportable accounts. The Code restricts the purchase and sale by Access Persons for their own accounts of Reportable Securities, which have been purchased or sold for funds or clients within specified time limits. Except under certain limited circumstances, Access Persons may not engage in a personal transaction in a Reportable Security for which an order for a fund or client is pending or within seven (7) calendar days before or after execution of a client order. This blackout period does not apply to transactions in certain large cap securities of a de minimis value for non-investment staff.

Access Persons are subject to reporting obligations, including completing quarterly transaction and annual holdings reports. Access Persons are required to direct their brokers to send copies of all brokerage confirmations and statements to their local Risk & Compliance Department. Alternatively, Access Persons can have the information sent by the broker via electronic feed, if available. Our procedures recognize that some Access Persons either reside in countries or maintain brokers where such statements are not regularly issued or available, and therefore these individuals are exempt from providing quarterly statements within a specific time period. In such circumstances, brokerage statements or their equivalent holdings reports must be provided as available. Employees must fully acknowledge the terms of the Code, on an annual basis. Any employee who violates the Code may be subject to verbal or written warnings and censures, monetary sanctions, disgorgement, suspensions or dismissal, among other punitive actions.

Additionally, the Code includes provisions for employees relating to the confidentiality of client information, a prohibition on insider trading, a rumors policy, dollar restrictions on the value of accepted gifts and entertainment, and requires that certain outside business activities are approved in advance.

Clients or prospective clients may request a free copy of the Code by contacting ASI at (+44) 131 246 6071

### Our Approach to Potential Conflicts of Interest

Various parts of our brochure discuss potential conflicts of interest that arise from our asset management business model. We disclose these conflicts due to the fiduciary relationship we have with our clients. Where potential conflicts of interest arise from our fiduciary activities, we take steps to mitigate, or at least disclose, them. Conflicts arising from fiduciary activities that we cannot avoid are mitigated through written policies and procedures. Potential conflicts may arise from new products or services, operational changes, new reporting lines and market developments.

### Gifts and Entertainment

We have policies and procedures in place which prohibit employees from accepting gifts, entertainment and other things of material value that may create a conflict of interest or give the appearance of a conflict of interest. Additionally, our employees may not offer gifts, entertainment or other things of material value that could be viewed as attempting to unduly influence the decision-making of any client or other business partner. In general, our policies dictate that giving and receiving gifts or participating in entertainment cannot occur if the value and/or the frequency of the gift or entertainment are deemed excessive or extravagant. The policies impose specific dollar restrictions and require compliance approval of gifts and entertainment. Additional restrictions regarding gifts apply to our employees who are registered representatives of our affiliated broker-dealer.

### Participation or Interest in Client Transactions

Potential conflicts of interest may exist if an investment adviser or one of its related persons buys or sells for client accounts, securities in which the adviser or a related person has a material financial interest. We may recommend to clients that they buy or sell shares of an investment company or other investment product in which we have some financial interest by serving as adviser or sub-adviser to a fund or other product. Some of the investment companies, including private funds, are subject to a performance-based incentive fee. Employees providing advice to these funds may also hold interests in such performance-based funds and may also provide investment advisory services with respect to similarly managed accounts that are not subject to performance fees.

We may manage accountssimilarly in that we may buy or sell the same securities for private funds, Registered Funds, segregated mandates and other account types. These transactions must be consistent with our trade allocation procedures so that no client fund is favored over another. In addition, and only in accordance with our policies and procedures, employees are permitted to invest in securities (including those recommended to clients) for their own accounts.

ASI may recommend Strategic Client Solutions clients other products offered by AAML or our affiliates. If we recommend our own products and services through our Strategic Client Solutions or advisory services offering, it may appear that our interest in selling the product or service could conflict with the client's expectation. In each instance where we direct clients into an ASI-managed product or strategy, we will obtain client consent.

Our officers or directors may sit on the boards, and board committees, of publicly traded clients. In addition, employees may buy or sell securities for a client where we may have a material interest in a security or issuer of a security. A material interest could include owning a security, office, directorship, significant contract, interest or relationship which is likely to affect the person's judgment. In these cases, AAML or our employees could benefit from the success of a client's investments because of our interest in the security or issuer of the security. We maintain procedures to mitigate these potential conflicts.

### Adviser for Multiple Accounts

We serve as investment adviser or sub-adviser to client accounts, including registered investment companies. Consistent with our fiduciary obligations, we may give advice with respect to funds or accounts we manage that may differ from action taken by our firm on behalf of other funds or accounts. We are not obligated to recommend, buy or sell—or to refrain from recommending, buying or selling—any security that any of AAML, our affiliates or our Access Persons, may buy or sell for their own accounts or for the accounts of any other client. Any company associated with AAML that wishes to purchase or sell securities of the types purchased for clients may do so only in a manner consistent with our fiduciary obligations. We are not obligated to refrain from investing in securities held by funds or accounts it manages, except if the investments violate the Code.

### Insider Trading Policy and Use of Expert Networks

We have adopted an insider trading policy in accordance with Section 204A of the Advisers Act, which establishes procedures to prevent the misuse of material non-public information by AAML, our officers, directors and employees. Any officer, director or employee who fails to observe the insider trading policy risks serious sanctions, including dismissal and personal liability.

From time to time, employees of AAML may obtain, either voluntarily or involuntarily, material non- public information that is not available to other investors or other confidential information which, if disclosed, would likely affect an investor's decision to buy, sell or hold a security. Such information may be provided from various possible sources including upon execution of a non-disclosure agreement, as a result of serving on the board of directors of a portfolio company or serving on ad hoc or official creditors' committees. Under applicable law, employees are generally prohibited from disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether that person is an ASI client.

Accordingly, should an employee receive, either voluntarily or involuntarily, material non-public information with respect to an issuer, it may be prohibited from communicating such information to, or using such information for the benefit of, clients, which could limit the ability of clients to buy, sell or hold

investments and can also result in an underlying security or investment being priced inconsistently across clients. Even if AAML or our affiliates request material non-public information, AAML shall have no obligation or responsibility to disclose such information to, or use such information for the benefit of, any person (including AAML clients), even if failure to do so would be detrimental to the interests of such person. In this connection, AAML has adopted an insider trading policy, which establishes procedures reasonably designed to prevent the misuse of material non-public information by AAML and our personnel. Under the insider trading policy, AAML employees are not permitted to use material non-public information obtained by any department or affiliate of AAML in the course of its business activities or otherwise, in effecting purchases and sales in securities transactions for our clients or for their personal accounts. Consequently, we may not be able to engage in investment activity that they would otherwise take were they not in receipt of such information, even if a failure to act on such information may ultimately be detrimental to our clients. In addition, use of such information would also be prohibited by the policies referenced herein.

ASI may utilize expert network services to obtain market, sector, company or other information. There may be an inherent conflict of interest in such arrangements as the experts are financially incented to provide information to justify their position within the network. ASI has policies and procedures in place to deal with such conflicts as well as risk of receiving inside information via the use of expert network services.

#### Charitable Contributions

From time to time, clients or certain financial intermediaries may approach AAML to request that we make contributions to certain charitable organizations. Because our contribution may result in the financial intermediary or our employees or representatives recommending us or our affiliated investment advisers' products to their underlying clients, the solicitation or contribution raises potential conflicts of interest. Consequently, we maintain procedures to ensure that charitable contributions are not made for the purpose of influencing business. Moreover, there may be certain circumstances where a fund has closed or a client has terminated and unanticipated proceeds have subsequently been paid to the fund or client. In such a circumstance, where it is impracticable and/or uneconomical (eg., the estimated costs of escheating the entire remaining amount, including the costs of an escheatment specialist, mailing, legal, check distribution, etc.) to find and remit the proceeds to the fund or client or escheat the proceeds to a state or where the amount is de minimis, then such proceeds may be donated to a third party 501(c)(3) charitable organization, as selected by an appropriate delegate of the Adviser, eg, a charitable committee.

#### Political Contributions

None of ASI's funds or assets may be contributed to any U.S. political candidate or political party. This ban includes contributions to U.S. political action committees ("PACs").

Financial contributions made to certain U.S. political campaigns may raise potential conflicts of interest because of the ability of certain office holders to direct business to ASI.

Employees are therefore prohibited from making contributions to any person running for or holding a U.S. city, county, state or other municipality-related position. This prohibition includes contributions to U.S. city, county, state or other municipality-related PACs. Employees are permitted to make contributions to persons holding or campaigning for a federal position as long as such person does not also hold a city, county or state position. Employees, however, may not allow present or anticipated business relationships of ASI to be a factor and must seek approval from AAML's Risk & Compliance Department before soliciting such contributions. Additionally, contributions to federal PACs are permissible. In both cases, approval from AAML's Risk & Compliance Department must be received before making a Contribution. Employees are prohibited from doing indirectly what they cannot do directly and, as such, cannot funnel payments through third parties, including, for example, consultants, attorneys and/or family members, as a means to circumvent ASI's Political Contributions Policy. The solicitation and coordination restrictions relate only to fundraising activities and would not prevent ASI's employees from expressing support for candidates in other ways, such as volunteering their time.

Any federal political contributions made or solicited by employees should be viewed as personal. Therefore, employees should never represent themselves as employees of AAML when participating in these activities (e.g., the use of AAML's letterhead for correspondence regarding these contributions is prohibited). Under



Rule 206(4)-5 of the Advisers Act, the Advisers will ensure that any third-party solicitor used to solicit government clients are a “Regulated Person” as defined by the Rule.

#### Directorships and Outside Business Activities

Access Persons are permitted to serve on the boards of directors of non-profit organizations such as educational institutions, charitable foundations or other civic organizations. Access Persons are not permitted to serve on the board of directors of any publicly traded company without prior authorization. Authorization is generally based upon a determination that the board service would not bring ASI into disrepute and has been considered appropriately in terms of actual or potential conflicts.

In general, all Access Persons’ Outside Business Activities are tracked and reviewed by AAML’s Risk & Compliance Department to ensure they do not conflict with the duty that we owe to clients.

#### Material Non-Public Information

Our investment personnel, in the course of research or other related activities, may from time to time acquire confidential or material non-public information that may prevent AAML from purchasing or selling particular securities for certain clients. Consequently, certain clients could realize a positive or negative impact to overall performance. We maintain policies and procedures for handling material non-public information.

#### Initial Account Funding

We may purchase and sell securities for accounts funded with our own assets, which also is known as “seed capital.” These accounts are intended to establish a performance history for a new or potential product or service. We may earn a profit on our seed capital investments.

## Item 12 – Brokerage Practices

### Broker-Dealer Selection and Best Execution

We have established policies and procedures designed to assess and monitor the broker-dealers selected to execute client transactions. We do not adhere to a rigid formula in making the selection of a broker-dealer for portfolio transactions, but rather weigh a combination of certain factors. When selecting a broker-dealer for client transactions, we take all sufficient steps to obtain the best possible outcome by looking at price, transaction costs, reasonableness of commissions, speed, efficiency, knowledge of particular securities, likelihood of execution and settlement, size and type of transaction, settlement capabilities, reputation, nature and any other consideration relevant to the best execution of that order. In selecting broker-dealers and in effecting portfolio transactions we seek to obtain best execution. Steps associated with seeking best execution are: (1) determining each client's trading requirements; (2) selecting appropriate trading methods, venues, and agents to execute the trades under the circumstances; (3) evaluating market liquidity of each security and taking appropriate steps to avoid excessive market impact; (4) maintaining client confidentiality and proprietary information inherent in the decision to trade; and (5) reviewing the results on a periodic basis. We review the above criteria on an ongoing basis. We do not consider the sales of shares of investment companies it advises as a factor in the selection of broker-dealers to execute portfolio transactions for a fund.

When selecting or recommending for client transactions, a broker or service provider, we will consider, among other things, the following:

- Professional reputation;
- Ability to provide clear, impartial and expert advice;
- Understanding of and presence in the relevant market; and
- Potential for or actual conflicts of interest.

If a client requires preauthorization of trades, such trades may not be commingled or "batched" for purposes of execution with orders for the same securities for other accounts we manage. Therefore, such trades may be executed subsequent to the trades executed for other accounts we manage and at different prices and commission rates which may be better or worse than the rates received for batched trades.

We may use Electronic Communications Networks ("ECN") or Alternative Trading Systems ("ATS") to execute when, in our judgment, the use of an ECN or ATS may result in equal or more favorable overall executions for the transactions.

With regards to our Alternatives products, we do not arrange trades with any broker or dealer; our fund of hedge funds does not typically use brokers to transact for funds or third party clients as the investments made for such clients are generally in open-ended investment funds engaged in a continuous offering. The advice and investment activity conducted with regards to property funds generally relates to privately offered securities in partnerships or similar relevant structures that invest in real estate or real estate-related assets. We may invest in property funds which are marketed to AAML by placement agents; either the fund or the third-party manager bears the associated placement agent fees. Occasionally, we may recommend the purchase of a secondary interest in a privately offered security being offered by a broker. In such cases, clients may be required to pay a fee to the broker offering the interest on behalf of a seller. We do not receive client referrals from broker-dealers or third parties. For fund of fund products, investments in open-ended investment funds are facilitated through the appropriate transfer agent.

On occasion, our hedge funds client portfolios may receive security positions as part of a distribution or liquidation of an underlying fund or special purpose fund. While we generally execute transactions in these securities through the same broker-dealer where the ASI fund's account was established, there are no limitations on which broker-dealers may be used or the commission rates or similar charges paid.

With respect to non-discretionary model delivery accounts (including UMA accounts) and discretionary SMA accounts, ASI will utilize a third party service provider to deliver model portfolio recommendations and model changes to the Sponsors. ASI seeks to treat clients fairly and equitably over time, by delivering model changes to our service provider and investment instructions for our other discretionary accounts to our trading desk, simultaneously or approximately at the same time. The service provider will then deliver the

model changes to each Sponsor on a when traded randomized full rotation schedule. All Sponsors will be included in the rotation schedule, including SMA and Model Only Sponsors.

The Model Only Sponsors will be responsible for determining how and whether to implement the model portfolio or model changes and implementation of any client specific investment restrictions. The Sponsors are solely responsible for determining the suitability of the model portfolio for each model delivery client, executing trades and seeking best execution for such clients.

As it relates to SMA accounts, ASI will be responsible for suitability, the day to day investment decisions, best execution, accepting or rejecting client specific investment restrictions and performance. The SMA Sponsors will collect suitability information and will provide a summary questionnaire for our review and approval or rejection. Our third party service provider will monitor client specific investment restrictions on a day to day basis. For SMA accounts, model trades will be traded by the Sponsor or may be executed through a “step-out transaction,”- or traded away- from the client’s Sponsor if doing so is consistent with ASI’s obligation to obtain best execution. The Sponsor does not restrict ASI’s ability to trade away, as ASI has a fiduciary duty to the client, and is therefore responsible for best execution. When placing trades through Sponsor Firms (instead of stepping them out), we will generally aggregate orders where it is possible and in the client’s best interests. In the event we are not comfortable that a Sponsor can obtain best execution for a specific security and we are not yet setup for trading away, we may exclude the security from the model.

Trading costs are not covered by the Program Fee and may result in additional costs to the client. In some instances, step-out trades are executed without any additional commission, mark-up, or mark-down, but in many instances, the executing broker-dealer may impose a commission or a mark-up or mark-down on the trade. Typically, the executing broker will embed the added costs into the price of the trade execution, making it difficult to determine and disclose the exact added cost to clients. In this instance, these additional trading costs will be reflected in the price received for the security, not as a separate commission, on trade confirmations or on account statements. In determining best execution, ASI takes into consideration that the client will not pay additional trading costs or commission if executing with the Sponsor.

While UMA accounts are invested in the same strategies as and may perform similarly to SMA accounts, there are expected to be performance differences between them. There will be performance dispersions between UMAs and other types of accounts because ASI does not have discretion over trading and there may be client specific restrictions for SMA accounts.

ASI may have already commenced trading for its discretionary client accounts before the model delivery accounts have executed ASI's recommendations. In this event, trades placed by the model delivery clients may be subject to price movements, particularly with large orders or where securities are thinly traded, that may result in model delivery clients receiving less favorable prices than our discretionary clients. ASI has no discretion over transactions executed by model delivery clients and is unable to control the market impact of those transactions.

Timing delays or other operational factors associated with the implementation of trades may result in non-discretionary and model delivery clients receiving materially different prices relative to other client accounts. In addition, the constitution and weights of stocks within model portfolios may not always be exactly aligned with similar discretionary accounts. This may create performance dispersions within accounts with the same or similar investment mandate.

#### Commission Rates

We seek to minimize the expenses incurred for effecting portfolio transactions to the extent consistent with the interests and policies of our clients. However, we will not select broker-dealers solely on the basis of “posted” commission rates. We will not always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although we generally seek competitive commission rates, we will not necessarily pay the lowest commission. Transactions may involve specialized services on the part of the broker-dealer involved, resulting in higher commissions.

The reasonableness of commissions is based on the broker-dealer’s ability to provide best execution.

Fixed income trades are placed based on best price and execution as determined by our review of solicited bids/offers. We may contact several companies in soliciting any bid/offer. Potential avenues of execution are placed in competition with one another to the extent reasonably possible whenever the portfolio managers look to buy or sell a bond. One of our measures of achieving best execution is executing a transaction with a qualified and capable counterparty that bids or offers the most favorable price under the circumstances. When buying or selling fixed income securities in dealer markets, we may prefer to deal directly with market-makers in the securities. We will typically affect these trades on a net basis, and will not pay the market-maker any commission, commission-equivalent or markup/markdown other than the “spread.” A “spread” is the difference between the price paid (or received) by our firm and the price received (or paid) by the market-maker in trades with other broker-dealers or other customers. Brokers through whom we execute trades may receive compensation from exchanges, market-makers and other intermediaries related to orders routed by the broker to those intermediaries.

In appointing a broker or service provider for client transactions, we will consider the proposed level of fee given, among other things:

- The scope of activities to be undertaken in relation to the client transaction;
- Local market rates for the activities to be undertaken in relation to the client transaction; and
- The ability to deliver the transaction in a timely fashion and in the best interest of the client.

#### Research

On September 12, 2017, ASI announced a change to the payment for research model, such that ASI will absorb all research costs directly (i.e., pays for research from its profits and losses) to coincide with the new MiFID II legislation which went into effect on January 3, 2018. As a result, ASI has been “execution only” since the start of 2017, paying for research for equities out of its assets and paying down some residual CSA balances throughout 2017.

While our policy is to seek best execution, we may select a broker for a portion of our trades which charges higher transaction costs if we determine in good faith that the cost is reasonable in relation to the value of the brokerage services provided. Despite these potential conflicts, we believe that we are able to negotiate costs on client transactions that are competitive and consistent with our policy to seek best execution. In addition, we do not enter into agreements or understandings with any brokers regarding the placement of securities transactions because of the research they provide. However, we do have an internal procedure for allocating transactions in a manner consistent with our execution policy to brokers that we have identified as providing superior executions and research of particular benefit to clients.

#### Brokerage for Client Referrals

We may use solicitation agreements. We do not consider, in selecting or recommending broker-dealers, whether we or an affiliate have a relationship with a broker-dealer or third party, or whether we or an affiliate receive client referrals from a broker-dealer or third party. A client may direct us to use the services of a particular broker-dealer in executing transactions for that client’s account. In some cases, the directed broker may have recommended our firm as a manager for that account. As stated previously, it is possible that such an account may suffer adverse effects from this direction, depending on market conditions.

#### Directed Brokerage

We do not routinely recommend, request or require that any client execute transactions through any specific broker or service provider. However, we occasionally receive requests from clients to direct a portion or all of the commissions earned on their account through a specific broker-dealer in order to generate a benefit for the client under such terms and arrangements as the client may negotiate with the particular broker or dealer. Where a client has directed the use of a particular broker-dealer, we may not be in a position to freely negotiate commission rates or spreads, to obtain volume discounts, or to select broker-dealers on the basis of best execution. In situations where the client has directed us to direct trades to a select broker, the client must forfeit best execution and should understand that we will enter into such arrangements on a “best efforts” basis. If a client directs us to use a particular broker-dealer for a transaction, it will not be commingled or “batched” for purposes of execution with orders for the same securities for other accounts we manage. Client-directed transactions may result in higher commissions, greater spreads, or less favorable net prices

than might be the case if we were empowered to freely negotiate commission rates or spreads, or to select broker-dealers on the basis of best execution. It is AAML's policy to accept these requests only under certain circumstances.

With regard to the hedge funds in which clients invest, securities are generally purchased directly from the issuer or general partner, without the assistance of a broker-dealer and without the payment of a brokerage commission. With regard to securities distributed from the underlying funds in which ASI clients invest, ASI has discretion to select a broker-dealer to effect securities transactions. In selecting broker-dealers to effect securities transactions, ASI seeks to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, experience in liquidating distributions from hedge funds and other such factors as ASI deems relevant and beneficial to the applicable ASI clients. Broker-dealers utilized by ASI are reviewed on an ongoing basis.

We may have certain accounts that were referred to us through the recommendation of third parties, including consultants that may also be broker-dealers, or may have certain pre-existing financial arrangements or relationships with a particular broker-dealer. Clients obtained from these third parties may instruct us to direct some or all of their brokerage transactions to the third party's broker-dealers, or we may otherwise allocate brokerage to these or related broker-dealers. As stated previously, in situations where the client has directed us to direct trades to a particular broker, the client must forfeit best execution and should understand that we will only enter into such arrangements on a "best efforts" basis. We may also buy from such third parties certain services or products used in our investment advisory business (such as software or research publications) or pay registration or other fees toward or otherwise assist in sponsoring such third parties' industry forums, seminars or conferences. We do not use client commissions to pay for these services.

#### Trade Errors and Corrections

In the event that we cause a trade error, our policy states that we ensure that the error is resolved in the best interests of the client. This means that trades are adjusted as needed in order to put the client account in such a position as if the error had never occurred. We review all trade errors to ensure they are resolved timely and accurately and that they do not indicate a recurrent pattern. In correcting trade errors, we or the party responsible for the error will bear the cost of correcting the error. Trade errors resulting in losses to client accounts will be reversed and the account compensated accordingly. To the extent a trade error in a client account results in a gain, we allow the client to keep the benefit, unless the gain offsets a loss in connection with a single transaction or occurrence or a series of related transactions, in which case any such gains and losses are netted unless prohibited by applicable regulation or a specific agreement with the client. In general, compensation is expected to be limited to direct monetary losses and will not include any amounts that AAML deems to be speculative or uncertain, nor will it cover investment losses not caused by the error.

Sub-advisers are responsible for their own execution of trades, and are therefore not covered under ASI's Trade Error Policy. Sub-advisers are, however, expected to have sufficient policies and procedures with regards to trade error management that are in line with ASI's policy. AAML will, when appropriate, review sub-adviser trade error policies and procedures and periodically review with the sub-advisers whether any trade errors were resolved in conformity with policies and procedures disclosed to the Adviser.

#### Cross-Trades

We may cross-trade between and among certain client accounts in accordance with our written cross-trading procedures. We will only consider engaging in cross-transactions to the extent permitted by applicable law and will, to the extent required by law, obtain the necessary client consents. Clients may revoke their consent for agency cross-transactions at any time.

For fund of fund products, we may arrange for a transaction between two or more of the Funds, in which one Fund buys an interest in an underlying fund or other investment from, or sells such investment to, another Fund managed by ASI. Each of these cross transactions is affected at "fair value," which is generally the Net Asset Value of the underlying fund. ASI receives no compensation (other than its management fee and incentive fee), directly or indirectly, for effecting a particular cross transaction. Although ASI will receive no compensation for cross transactions, underlying funds may assess customary transfer fees or commissions in connection with any such cross transaction. Cross transactions may inure to the benefit of the selling and

buying Funds. Avoidance of redemption fees, taking on aged positions with the avoidance of soft and hard lock-ups, and the preservation of high water marks, are examples of other value added benefits that can inure to the benefit of the buying or selling Funds when applicable.

When a potential cross transaction involves a Fund or account that has a significant beneficial ownership by ASI or its affiliates and control persons, it will be considered whether this transaction should be treated as a principal transaction under ASI's procedures (and separate criteria would apply), rather than as a cross transaction. Under ASI's procedures, cross transactions are not permitted from or to any Fund or other account deemed to comprise "plan assets" pursuant to regulations under the Employee Retirement Income Security Act of 1974, or to or from a Registered Fund, without consideration of additional regulatory restrictions or approvals that are required by applicable law.

#### Foreign Exchange ("FX") Transactions

We may execute currency transactions on an active basis through our currency trading desk, except where market restrictions in some emerging currencies exist and execution for trade settlement is arranged by the custodian directly. In addition, certain of our asset management clients may direct their currency trades to their custodian banks for execution via standing instructions, and in such cases as well as in the case of restricted emerging currencies, we may not know the precise execution time of the FX trade and cannot influence the exchange rates applied to these trades.

#### Aggregation and Allocation

We may, to the extent appropriate, permissible and/or feasible, aggregate multiple client orders for the purchase or sale of the same security to achieve best execution. In the instance that the same security is bought or sold for a number of clients at approximately the same time, orders may also be aggregated. Due to the possibility of a price variation among executed transactions throughout the trading period, an "averaging" procedure is utilized, when possible. This procedure allocates securities to those clients participating in the order on a pro-rata basis (subject to rounding) at the average execution price of the purchases and sales attributable to a given block, unless otherwise directed by the client or deemed inappropriate for best execution. If pro-rata allocations are deemed inappropriate, we may implement either rotational or random allocations, provided the result is fair access over time to trading opportunities for all eligible accounts.

In the instance that an order is not completed on the same trading day, the partial fill will be allocated pro-rata among participating clients, unless otherwise directed or deemed inappropriate for best execution. Any unexecuted orders will continue until either the block order is complete or all component orders have been cancelled. If remaining positions are too small to satisfy the minimum order amount, we may decide to allocate the remaining shares to those accounts which did meet the minimum. We may also decide to allocate remaining shares to those accounts for which orders would be completed as a result of the allocation.

We seek to allocate opportunities to all clients in a consistent, fair manner. In accordance with our written policies and procedures, we may take special considerations when deciding on allocations, provided they are deemed fair and equitable to all clients. These special considerations may include—but are not limited to—cash flow changes; specialized investment objectives or restrictions of a particular client; specific bond trades; directed brokerage; limit orders; market restrictions; lot size; open bulk orders (market-to-market); new portfolio fundings; fungibility of certain security types; or new issuance allocations (debt or equity). Allocations may also take into consideration factors such as the particular market restrictions, size, nature, identity, or number of positions in a client's portfolio, concentration and size of holdings, industry and sector exposure, purchase cost and cash availability, ability to obtain meaningful position sizes, liquidity, investment imbalances, prior participation in similar opportunities, limitations on the availability of an investment, special needs, trading considerations, whether the allocation would result in an account receiving an amount lower than the typical transaction size or an "odd lot"; and other factors. In addition, AAML may exclude certain accounts from an allocation if the size of the allocation would not satisfy certain minimum size thresholds established by AAML, a client, or by the issuer itself for operational reasons.

We engage in real estate asset and investment management activities for a limited number of institutional and market counterparty clients; this creates the potential for a conflict of interest when allocating deals between clients. In order to manage any such conflict, we operate a deal introduction and allocation procedure which is intended to fulfill a number of criteria:

- Providing a practical, consistent and efficient method of deal introduction and deals allocation;
- Ensuring consistent fair and equal treatment of clients in deal introduction and deals allocation;
- Ensuring compliance generally and with any specific requirement in Asset Management or Investment Management Agreements in connection with deal introduction and deals allocation; and
- Providing a transparent and auditable control for deal introduction and deals allocation.

Representing several investors typically works to the benefit of all, as target fund terms can be negotiated more forcefully. Conflicts between different mandates could arise if there were a limited number of units available in a specific fund and where different clients have the similar investing preferences at the same time. If this scenario arises, we would run a fully transparent process where we would inform the clients about the situation. We would then offer to split the available units between the different parties, on a pro rata (to their individual applications) basis.

We may make co-investments along with clients in property funds or direct property. When undertaking investment management activities for clients, the duty owed to that client shall prevail over any owed to ASI, to its managers, employees or any other person directly or indirectly linked to ASI by control or to any other third party, including any other client.

Inevitably, not all clients, including clients with similar investment strategies, can participate in every investment opportunity, and clients who do participate in an investment cannot always participate to the same degree. AAML may determine that a limited supply of a particular opportunity or investment or other factors noted above may preclude the participation of some clients in a particular investment opportunity or trade. Similarly, when AAML determines to exit a position for some clients, other clients may not always participate, may not participate at the same time, or may not participate to an equal degree.

Where transactions for an account are not aggregated with other orders, including directed brokerage accounts, or not netted against orders for the account or other accounts, the account may not benefit from a better price, lower commission rate, or lower transaction cost. Aggregation and netting of trades may disproportionately benefit some accounts relative to other accounts due to the relative amount of savings obtained.

ASI does not typically aggregate orders for its hedge fund clients. For such clients we seek to allocate transactions and opportunities among the various accounts in a manner we believe to be as equitable as possible over time, considering each account's objectives, programs, limitations and capital available for investment. Any potential conflicts are brought to the attention of ASI's Hedge Fund Investment Committee in order to resolve them in an equitable and fair fashion. We apply the same general principles equally to decisions on which underlying funds or managers would be suitable to be recommended for non-discretionary advisory clients as for making decisions to invest for discretionary clients. However, since ASI does not have discretion over allocation decisions in non-discretionary accounts, it is likely that the actual allocations will differ as between discretionary and non-discretionary accounts. In addition, there may be situations where we provide non-discretionary advice concerning an underlying fund or manager where there is no discretionary account for which the underlying fund or manager is suitable (or where there is no cash available in the discretionary account to make an investment) or vice versa. There may also be situations where ASI advises a non-discretionary client not to invest in an underlying fund or manager, but in which ASI does make an investment for its discretionary accounts. Finally, there may be situations where an advisory client sources an underlying fund or manager and asks for ASI's advice, and even if ASI provides a favorable opinion on that underlying fund or manager, ASI may not invest in an underlying fund or manager for a variety of reasons. The results of any of these scenarios could, and it should be expected will, reasonably result in a divergence in performance between and among the various accounts over which ASI acts with discretion and for which ASI provides non-discretionary advice.

In order to avoid conflicts arising from limited capacity available for investment in or with an underlying fund or manager that is identified as suitable for investment by both an advisory client and by ASI for its discretionary accounts, ASI will apply procedures that are designed to create a fair result under the circumstances.

## **Item 13 – Review of Accounts**

### Account Review Process

We strive to ensure compliance with a client's investment guidelines consistent with our fiduciary responsibility to manage an account in the best interest of our clients, and we aim to complete reviews on an ongoing and continuous basis. An account may be reviewed immediately to the extent that information concerning economic or market conditions, individual companies or industries could affect the account. Reviews of accounts also occur when investment strategies and objectives are changed by a client. Our relationship managers work closely with the fund management teams to ensure that each client's guidelines are implemented, where applicable. Depending on the asset class and account type, we employ various methods of pre- and/or post-trade controls and monitoring techniques through automated or manual procedures to ensure that portfolios are managed in accordance with client-specific guidelines or restrictions as well as applicable regulatory requirements and internal policies. Periodic reviews may also be undertaken to ensure compliance with client investment guidelines. We have policies and procedures in place to address any investment guideline breaches.

### Reports to Clients

We provide each client with written monthly or quarterly market and investment reports, which include cash balance, transaction records, position reports and account valuation. Additional reports may be provided upon a client's request.



#### **Item 14 – Client Referrals and Other Compensation**

AAML may effect transactions with broker-dealers that furnish non-research services which we believe will be beneficial.

In no event will we compensate a third-party solicitor for a referral if that solicitor serves as a sponsor, decision-maker or fiduciary of any U.S. pension or profit-sharing plan. We may engage and compensate entities to provide prime brokerage and other services (including client account statement preparation) to client accounts.

In addition, other third parties may provide certain shareholder servicing and/or distribution support services in connection with the sale of shares of our mutual funds or other funds that we service. These third parties may do so either directly or through intermediaries (i.e., broker-dealers) and may, in some instances, refer clients into such funds. These third parties (and the intermediaries through whom the funds are available) may receive cash compensation for these services out of our own resources.

Our firm, or our affiliates, may be compensated in connection with the sale of shares of either our mutual funds or other funds that either entity services. In addition, our sales and client service employees' compensation may be linked to sales goals relating to the sale of our mutual funds.

## **Item 15 – Custody**

We do not act as a custodian for client assets.

Clients typically receive statements from their account custodians at least quarterly and are encouraged to compare statements received from us with statements received from their client account custodians. Clients should carefully review their custodian statements to ensure they reflect the appropriate activity in their account. If there are differences between a client's custodian statement and an ASI account statement, or if a client has not received their account custodian statement, clients are asked to contact their client service representative.

## **Item 16 – Investment Discretion**

Depending upon the terms of an investment management agreement entered into with each client, we may have discretionary authority to make the following determinations without client consultation or consent prior to effecting each transaction:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the broker-dealer through whom securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are effected.

We exercise discretion in a manner consistent with the stated investment objectives for a particular client account. We may accept advisory accounts with limited discretion or where investments are client-directed pursuant to an investment management agreement. We may also be limited in the type or quantity of securities purchased or held due to certain regulatory or internal compliance restrictions. Client investment guidelines and restrictions must be provided to us in writing. Unless ASI and a client have entered into a non-discretionary arrangement, ASI generally is not required to provide notice to, consult with, or seek the consent of its clients prior to engaging in transactions. Please refer to Item 4 of this Brochure for additional information on clients' ability to tailor investment guidelines.

## Item 17 – Voting Client Securities

Where clients appoint AAML to vote proxies on their behalf. Policies have been established to vote these proxies in the best interests of our clients.

We employ ISS as a service provider to deliver our voting decisions efficiently to companies. We require ISS to provide recommendations based on our own set of parameters to tailored ASI's assessment and approach, but remain conscious that all voting decisions are our own on behalf of our clients. We consider ISS's recommendations and those based on our custom parameters as input to our voting decisions.

An ASI analyst will assess the resolutions at general meetings in our active investment portfolios. This analysis will be based on our knowledge of the company, but will also make use of the custom and standard recommendations provided by ISS as described above. The product of this analysis will be a final voting decision instructed through ISS and applied to all funds for which ASI have been appointed to vote. There may be certain circumstances where AAML may take a more limited role in voting proxies. We will not vote proxies for client accounts in which the client contract specifies that AAML will not vote. We may abstain from voting a client proxy if the voting is uneconomic or otherwise not in clients' best interests. For companies held only in passively managed portfolios AAML custom recommendations provided by ISS will be used to automatically apply our voting approach; we have scope to intervene to test that this delivers appropriate results, and will on occasions intrude to apply a vote more fully in clients' best interests. If voting securities are part of a securities lending program, we may be unable to vote while the securities are on loan. However, we have the ability to recall shares on loan or to restrict lending when required, in order to ensure all shares have voted. In addition, certain jurisdictions may impose share-blocking restrictions at various times which may prevent AAML from exercising our voting authority.

We recognize that there may situations in which we vote at a company meeting where we encounter a conflict of interest. Such situations include:

- Where a portfolio manager owns the holding in a personal account,
- An investee company that is also a segregated client.
- An investee company where an Executive Director or Officer of our company is also a Director of that company.
- An investee company where an employee of ASI is a Director of that company.
- A significant distributor of our products.
- Any other companies which may be relevant from time to time.

In order to manage such conflicts of interests, we have established procedures to escalate decision-making so as to ensure that our voting decisions are based on our clients' best interests and are not impacted by any conflict.

Clients may obtain a free copy of AAML's proxy voting policies and procedures and/or proxy voting records for their account by contacting us at (+44) 131 246 6071. ASI publish Stewardship Principles, which describe our approach to investment analysis, shareholder engagement and proxy voting across companies worldwide. There are published on our website.

Clients that have not granted AAML voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their service providers.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about ASI's financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients. In addition, we have not been the subject of a bankruptcy proceeding.

## APPENDIX A - Fee Schedules

The following are our standard segregated and/or commingled account fee schedules. However, fees and other compensation are negotiated in certain circumstances, and arrangements with any particular client may vary.

Equities:

Strategy	Minimum Account Size	Fee Schedule
Asia Pacific Equities (Regional, Single Country and Property Share)	Segregated -\$75 million* Commingled- \$5 million	0.85% on first 50m, 0.80% on next 50m, 0.75% thereafter
Asia Pacific Small Cap Equity	Commingled- \$5 million**	0.95% on first 50m, 0.90% on next 50m, 0.85% thereafter
Australian Equity – Large Cap	Segregated -\$75 million Commingled- \$5 million	0.55% on first 50m, 0.50% on next 50m, 0.45% thereafter
Australian Equity – Small Cap	Segregated -\$75 million Commingled- \$5 million	.75% on first 50m, 0.70% on next 50m, 0.65% thereafter
China A Share Equity	Segregated -\$75 million* Commingled- \$5 million	0.85% on first 50m, 0.80% on next 50m, 0.75% thereafter
EAFE Plus Small Cap Equity	Segregated - \$50 million Commingled- \$5 million	.80%
Emerging Market Equities (Including LatAm, Eastern Europe, Emerging Europe, Russia)	Segregated -\$100 million*** Commingled- \$5 million***	. 0.90% on first 50m, 0.85% on next 50m, 0.80% thereafter
Emerging Markets Small Cap Equity	Segregated -\$75 million*** Commingled- \$5 million***	0.90% on first 50m, 0.85% on next 50m, 0.80% thereafter
European Equity (Core)	Segregated - \$50 million Commingled- \$5 million	0.50% on first 50m, 0.45% on next 50m, 0.40% thereafter
European Equity Multi Cap	Segregated - \$50 million Commingled- \$5 million	0.60% on first 50m, 0.55% on next 50m, 0.50% thereafter
European Equity Small Cap	Segregated - \$50 million Commingled- \$5 million	0.70% on first 50m, 0.65% on next 50m, 0.60% thereafter
Frontier Markets	Segregated -\$75 million**** Commingled- \$5 million****	1.25% on first 50m, 1.20% on next 50m, 1.15% thereafter
Global Equities (Core and Unconstrained)	Segregated - \$75 million* Commingled- \$5 million	0.75%
Global Infrastructure	Segregated - \$50 million	0.60% on first 50m, 0.55% on next 50m, 0.50%

Strategy	Minimum Account Size	Fee Schedule
		thereafter
Global Small Cap Equities	Segregated - \$50 million Commingled- \$5 million	.80%
Japanese Equity	Segregated - \$50 million* Commingled- \$5 million	0.50% on first 50m, 0.45% on next 50m, 0.40% thereafter
Japanese High Alpha Equity	Segregated - \$50 million* Commingled- \$5 million	0.60% on first 50m, 0.55% on next 50m, 0.50% thereafter
Japanese Small Cap Equity	Segregated - \$75 million* Commingled- \$5 million	0.70% on first 50m, 0.65% on next 50m, 0.60% thereafter
North American Equity – Large Cap and Core	Segregated - \$50 million Commingled- \$5 million	0.50% on first 50m, 0.45% on next 50m, 0.40% thereafter
North American Equity – Mid Cap	Segregated - \$25 million Commingled- \$5 million	0.65% on first 50m, 0.60% on next 50m, 0.55% thereafter
North American Equity – Small Cap	Segregated - \$25 million Commingled- \$5 million	0.75% on first 50m, 0.70% on next 50m, 0.65% thereafter
North American Equity – Unconstrained	Segregated - \$50 million Commingled- \$5 million	0.60% on first 50m, 0.55% on next 50m, 0.50% thereafter
UK Equity (Core)	Segregated - \$50 million Commingled- \$5 million	0.50% on first \$50m , 0.45% on next 50m, 0.40% thereafter
UK Equity Multi Cap	Segregated - \$50 million Commingled- \$5 million	0.60% on first 50m, 0.55% on next 50m, 0.50% thereafter
UK Equity Small Cap	Segregated - \$40 million Commingled- \$5 million	0.80%

\* Segregated investments require Fund Manager approval before proposal.

\*\* Segregated investments in Asian Smaller Companies are at the discretion of ASI Inc.

\*\*\* Capacity constrained. New business is at the discretion of investment team.

\*\*\*\* No discounting and no staggered fees for different fund sizes; Minimum and maximum investment sizes apply at product level

Fixed Income:

Strategy	Minimum Account Size	Fee Schedule
Absolute Return	Segregated - \$40 million	0.35 on first 100m, 0.30% thereafter %
Asian Fixed Income (Aggregate, Credit/Corporate)	Segregated - \$100 million	0.40% on first 100m, 0.35% thereafter
Asian Fixed Income (Government)	Segregated - \$100 million	0.30% on first 100m, 0.25% thereafter
Asian Fixed Income (Short Duration)	Segregated - \$100million	0.25% on first 100m, 0.20% thereafter
Emerging Markets Fixed Income (Core, Corporate, Local Currency & Plus)	Segregated- \$50 million	0.50% on first 100m, 0.45% thereafter
Emerging Markets Fixed Income (Unconstrained)	Segregated- \$50 million	0.55% on first 100m, 0.50% thereafter
European Fixed Income (Convertibles, High Yield)	Segregated - \$50 million	.40% on first 100m, 0.45% thereafter
European Fixed Income (Government, Short Duration)	Segregated - \$50 million	0.20% on first 100m, 0.15% thereafter
European Fixed Income (Credit/Corporate, Aggregate Core)	Segregated - \$50 million	0.25% on first 100m, 0.20% thereafter
European Fixed Income (Aggregate Core Plus)	Segregated - \$50 million	0.30% on first 100m, 0.55% thereafter
Frontier Market Bond	Segregated - \$50 million	0.75% on first 100m, 0.70% thereafter
Global Absolute Return	Negotiable	0.75%
Global Credit	Segregated - \$50 million	0.30% on the first 100m, 0.28% thereafter
Global Fixed Income (Aggregate)	Segregated - \$50 million	0.30% on first \$100m, 0.25% thereafter
Global Fixed Income (Government)	Segregated - \$50 million	0.20% on first 100m, 0.15% thereafter
Global High Yield	Segregated - \$50 million	0.50% on first 100m, 0.45% thereafter
Global Loans	Segregated - \$50 million	0.55% on first 100m, 0.50% thereafter



Strategy	Minimum Account Size	Fee Schedule
Inflation Linked	Segregated - \$50 million	0.25% on first 100m, 0.20% thereafter
North American Fixed Income (Core, Core Plus, Intermediate and Opportunistic)	Segregated - \$25 million	0.35% on first 100m, 0.20% thereafter
North American Fixed Income (Corporate)	Segregated - \$25 million	0.35% on first 100m, 0.20% thereafter
North American Fixed Income (Credit)	Segregated - \$25 million	0.28% on first 100m, 0.18% thereafter
Structured Product Opportunistic (MBS)	Segregated - \$25 million	0.50% on first 100m, 0.35% thereafter
Total Return Bond	Segregated - \$25 million	0.30% on first 100m, 0.25% on next \$150m, 0.20% on next \$750m, 0.18% thereafter
Total Return Bond Plus	Segregated - \$25 million	0.35% on first 100m, 0.30% thereafter
US High Yield	Segregated - \$50 million	0.40% on first 100m, 0.35% thereafter
US Short Duration (Core Short Duration)	Segregated - \$25 million	0.20% on first 100m, 0.13% thereafter
US Short Duration (Ultra Short Duration)	Segregated - \$25 million	0.20% on first 100m, 0.09% thereafter
US Cash/Liquidity	\$25 million	0.125% on first 100m, 0.09% thereafter
UK Fixed Income (Government)	Segregated - \$50 million	0.20% on first 100m, 0.15% thereafter
UK Fixed Income (Aggregate Core)	Segregated - \$50 million	0.25% on first 100m, 0.20% thereafter
UK Fixed Income (Aggregate Core Plus)	Segregated - \$50 million	0.30% on first 100m, 0.25% thereafter
UK Fixed Income (Credit/ Corporate)	Segregated - \$50 million	0.25% on first 100m, 0.20% thereafter
UK Fixed Income (Strategic Bond)	Segregated - \$50 million	0.35% on first 100m, 0.30% thereafter

Liability Driven Investments:

Strategy	Minimum Account Size	Fee Schedule
Liability Driven Investments- Liability Hedge (Execution Only)	Negotiable	<\$200m: 0.40% \$200-500m: 0.35% \$500m+: 0.30%
Liability Driven Investments- Liability Hedge (Passive)	Negotiable	<\$200m: 0.50% \$200-500m: 0.45% \$500m+: 0.40%
Liability Driven Investments- Liability Hedge (Passive Plus)	Negotiable	<\$200m: 0.80% \$200-500m: 0.70% \$500m+: 0.65%
Liability Driven Investments- Synthetic Overlay (Passive)	Negotiable	0.50%
Liability Driven Investments- Synthetic Overlay (Actively Managed)	Negotiable	<\$200m: 0.25% \$200+: 0.20%
Liability Driven Investments- Synthetic Overlay (Equity TRS/ Futures)	Negotiable	0.50%

Alternatives:

Strategy	Minimum Account Size	Fee Schedule
Alternative Investment Strategies *	Segregated - \$50 million Commingled - \$200k	Segregated: \$50-150m: 0.60% \$150-300m: 0.50% \$300-500m: 0.45% \$500m-\$1bn: 0.38%  Commingled: <\$50m: 0.70% \$50m+: 0.50%
Alternative Risk Premia*	Segregated - negotiable Commingled - \$200k	Segregated (Active-managed to model): <\$20m: 0.50% \$20-50m: 0.35% \$50-100m: 0.30%  Segregated (Active-custom): <\$20m: 0.60% \$20-50m: 0.40% \$50-100m: 0.30%  Segregated (Passive): \$20-50m: 0.20% \$50-100m: 0.15%  Commingled: <\$20m: 0.50% \$20-50m: 0.30% \$50-100m: 0.25%
Asset Manager Minority Investments	Negotiable	Management fee of 2% on commitments during investment period, 1.5% on invested thereafter;  20% carry, subject to 8% preferred return, with full catch-up

Strategy	Minimum Account Size	Fee Schedule
Private Markets	Negotiable	<p>Segregated:  &lt;\$100m: 0.55% + 5% performance (over hurdle)  \$100-300m: 0.50% + 5% performance (over hurdle)  \$300m+: 0.40% + 5% performance (over hurdle)</p> <p>Commingled:  :&lt;\$100m: 0.75% on commitments + 10% performance (over hurdle),  100m+: 0.75% on commitments + 5% performance (over hurdle)  \$300m+: 0.75% on commitments+ 5% performances (over hurdle)</p> <p>Advisory:  &gt;\$300K or 0.25% of notional account value</p>
Real Assets - Indirect	Segregated – negotiable Commingled- \$200k	<p>Segregated:  &lt;\$100m: 0.50% and 3% performance over CPI + 3% over hurdle,  \$100m - \$300m: 0.45% and 3% performance over CPI + 3% over hurdle  \$300m+: 0.45% and 3% performance over CPI+ 3% over hurdle</p> <p>Commingled: 0.60% and 3% performance over CPI + 3% over hurdle</p> <p>Advisory:  &gt;\$300K or 0.25% of notional account value</p>
Infrastructure	Negotiable	<p>Greenfield:  &lt;\$100m: 1.20% *  \$100-300m: 1% *  \$300m+: 0.85% **</p> <p>Brownfield:  &lt;\$300m: 0.50% **  \$300m+: 0.45% **</p>

\* Department Head has 10% tolerance on rate card fees

\*\*Subject to negotiation with fund manager.

#### Real Estate:

Strategy	Minimum Account Size	Fee Schedule
UK (Core)	£200m	IMA only: 0.25% Structure <sup>1</sup> : 0.50%
UK (Value Added)	£200m	IMA only: 0.40% Structure <sup>1</sup> : 1.00%
Continental, Multi-Country, and Asia (Core)	£200m	IMA only: 0.70% Structure <sup>1</sup> : 0.90%
Continental, Multi-Country, and Asia (Value Added)	£200m	IMA only: 1.00% Structure <sup>1</sup> : 1.25%

<sup>1</sup> ASI Structure means segregated mandates are managed within an ASI-sponsored fund structure. The fees include leverage at assumed levels of 25% for core mandates and 50% for value added mandates.

#### Multi-Asset:

Strategy	Minimum Account Size	Fee Schedule
Simple Strategic*	£25m	0.35% on first 100m, 0.30% on the next 100m, 0.25% on the next 100m, 0.20% thereafter
Active Strategic*	£25m	0.50%
Active Strategic (Fully Segregated)	£300m	0.60%
Diversified Multi-Asset (Fully Segregated)	£500m	Negotiable
Global Absolute Return Strategy (GARS), Global Tactical Asset Allocation	Negotiable	0.70%

\*Fees are subject to the minimum fee based on the fee rates of the underlying investments.

## Quantitative Mandates:

Strategy	Minimum Account Size	Fee Schedule
Traditional Beta-Equity (Global Emerging Markets)	Segregated - \$50 million	0.10% on the first 200m, 0.08% thereafter
Traditional Beta-Equity (All Other Regions)	Segregated - \$50 million	0.07% on the first 200m, 0.05% thereafter
Traditional Beta-Fixed Income (Global Government Emerging Markets)	Segregated - \$50 million	0.28% on the first 500m, 0.26% thereafter
Traditional Beta-Fixed Income (Investment Grade Developed Markets)	Segregated - \$50 million	0.12% on the first 500m, 0.10% thereafter
Traditional Beta-Fixed Income (Global Government Developed Markets and Investment Grade UK)	Segregated - \$50 million	0.10% on the first 200m, 0.09% on the next 300m, 0.08% thereafter
Traditional Beta-Fixed Income (Government UK/ Inflation linked Government UK)	Segregated - \$50 million	0.05% on the first 500m, 0.04% thereafter
Better Beta (Global Emerging Markets)	Segregated - \$50 million	0.30% on the first 200m, 0.28% on the next 300m, 0.22% thereafter
Better Beta (Other Regions)	Segregated - \$50 million	0.14% on the first 200m, 0.10% on the next 300m, 0.08% thereafter
Smarter Beta- Multi Factor	Segregated - \$50 million	0.25% on the first 200m, 0.20% on the next 300m, 0.15% thereafter
Smarter Beta (RAFI Low Volatility Global Emerging Markets)	Segregated - \$50 million	0.12% on the first 200m, 0.10% thereafter
Smarter Beta (RAFI Global, UK, Low Volatility ex-GEM)	Segregated - \$50 million	0.10% on the first 200m, 0.08% thereafter
Machine Learning/ Artificial Intelligence	Segregated - \$50 million	0.45% on the first 200m, 0.40% on the next 300m, 0.35% thereafter