



Samsung Asset Management (Hong Kong) Limited

Brochure on Form ADV Part 2A

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This Brochure on Form ADV Part 2A provides information about our qualifications and business practices. If you have questions about us or this Brochure, please contact us at the e-mail address or phone number above. More information about us is available on the SEC's website at www.adviserinfo.sec.gov. The information in this Brochure has not been approved or verified by the SEC or by any non-U.S. or U.S. state securities authority.

Being a registered investment adviser or describing us as being registered does not imply a certain level of skill or training. The communications that we provide, including this Brochure, serve as information for you to use to evaluate us.

Item 2. Material Changes

This Brochure on Form ADV Part 2A is our third annual amendment, filed with the U.S. Securities and Exchange Commission in connection with our obligations as an investment adviser under the U.S. Investment Advisers Act of 1940.

We had no material changes since our last annual amendment filed on 29 March 2019. In this Brochure, we are disclosing the following material changes:

- as at 31 December 2019, we managed US\$ 2,119,884,349 for 31 clients and 31 accounts;
- Mr Choi Sungjin, formerly our CFO and COO, is now our CEO and Managing Director;
- Mr Kim Minseok is now our CFO and is a Director;
- Mr Park Sungjin is now a Director; and
- Mr Kim Yousang is no longer a Director.

In the future, this Item will discuss material changes about us. We will file our amended Brochure with the SEC and provide it to our Clients without charge or if you contact us by phone or e-mail, details on the cover page of this Brochure.

You can find more information about us via the SEC's web site, www.adviserinfo.sec.gov.

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Item 4. Advisory Business

Samsung Asset Management (Hong Kong) Limited (“SAM HK” or “we”) is a wholly-owned subsidiary of Samsung Asset Management Co., Ltd (“SAMC”), the largest asset manager in Korea. SAM HK was established in November 2007. We hold Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses from the HK Securities and Futures Commission (“SFC”). We are registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser under the U.S. Investment Advisers Act of 1940 (“Advisers Act”).

We are the 100% owner of Samsung Asset Management (Beijing) Limited (“SAM Beijing”), established in September 2016. As of 15 January 2018, SAM Beijing started to provide investment management advice concerning ETF investments to financial corporations in China, separate from our business. Our relationship with SAM Beijing is only as its owner. SAM Beijing receives research for ETFs from SAMC.

SAMC is wholly owned by Samsung Life Insurance Co. (“Samsung Life”), incorporated in Korea and with its principal place of business in Seoul. SAMC, founded in 1998, is an SEC registered investment adviser. SAMC provides investment advisory services on a discretionary and non-discretionary basis to institutional and retail investors and certain Samsung group companies, including Samsung Life and Samsung Fire & Marine Insurance Co., Ltd. SAMC is the sponsor and manager of Korea Exchange-listed funds and private funds, and we act as a sub-adviser for certain of these funds. SAMC has wholly-owned subsidiaries in New York (Samsung Asset Management (New York) Inc., “SAM NY”, an SEC registered investment adviser) and London (Samsung Asset Management (London) Ltd, “SAM UK”, licensed and authorised by the UK Financial Conduct Authority).

SAMC controls us, but we disclaim control of us by Samsung Life. We disclose our related persons in our Form ADV Part 1 and discuss them in Item 10, below.

We have 30 employees. We have 10 portfolio managers, five research analysts, two sales and marketing staff and 13 supporting colleagues in risk, compliance, finance, operations and trading.

We provide discretionary and non-discretionary investment management services to our clients. Our clients are non-U.S. private funds and separately managed accounts (“SMAs”), none of which are U.S. persons as this term is defined in Regulation S under the U.S. Securities Act of 1933. As at 31 December 2019, we managed US\$ 2,119,884,349 for 31 clients and 31 accounts. SAMC delegates to us the majority of our assets under management; while this is material and a risk, we do not foresee this arrangement ending. For them, we manage assets on a discretionary basis that include private funds, HKEx listed ETFs, SMAs and a master-feeder fund structure. We provide investment advice for SMAs on a non-discretionary basis. Currently, we do not have any SMAs for U.S. persons. The range of products include equities and Index futures in issuers from Hong Kong, mainland China, Greater China, ASEAN and India markets.

SAM HK does not participate in “wrap fee” programs.

This Brochure concerns our activities with and for U.S. persons and is not intended for our non-U.S. clients or prospects.

SAM HK clients sign an investment management agreement (“IMA”) that sets forth their investment objectives, strategies and restrictions, and the fees to be charged. SAM HK manages client assets in compliance with each IMA and relevant regulation.

Clients do not receive side letters, preferential redemptions or other types of agreements.

Item 5. Fees and Compensation

As noted in Item 7, below, our clients are listed funds, private funds and institutions with SMAs.

For SMAs, SAM HK is compensated for its investment management services based on a per cent of assets under management ("Fee"). We do not charge U.S. clients a performance fee but, as discussed below, we do this for non-U.S. clients.

Our Fee schedule for SMAs is as follows:

<i>US\$</i>	<i>Amount</i>
<i>0-100 million</i>	<i>0.7% daily net asset value</i>
<i>100-200 million</i>	<i>0.6% daily net asset value</i>
<i>More than 200 million</i>	<i>0.5% daily net asset value</i>

Fees are negotiable, depending upon the type of client and the assets involved.

For funds, investors pay a fee based upon the fee schedule for that fund, as disclosed in that fund's constitutional and offering documents. This may or may not include a performance fee, particular to that fund's fee schedule.

The administrator of each fund values securities and investments and calculates Fees. The custodian for each SMA values securities and investments and calculates Fees. We perform a reconciliation of all valuations and Fee calculations. External auditors audit our calculations and methodologies.

Fees are payable monthly or quarterly in arrears, as set forth in the IMA or the fund's constitutional and offering documents.

We do not deduct a fee from a client's account or have the authority to do so. The administrator or custodian, acting as the agent of the client, pays our fee against an invoice issued by SAM HK. Clients should review the invoice to verify the fee calculation and corresponding debit as reflected in the account statement provided by their custodian.

Clients pay charges imposed by custodians, brokers and other third party service providers. Such fees include, but are not limited to, brokerage commissions, transaction fees, custodian fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, management fees and other fees and taxes on brokerage accounts and securities transactions.

Where SAM HK exercises discretion and causes a client to invest in a fund, futures ETF or other private fund, a client would pay charges such as commissions, management fees or expenses. SAM HK does not receive any portion of these commissions, fees or expenses.

SAM HK will not invest U.S. client assets in a SAMC or Samsung fund.

IMAs are terminable at will by either party. In the case of any termination, fees will be calculated on a pro rata basis through the date of termination.

SAM HK does not receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees.

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

While we do not charge our U.S. clients a performance fee, certain of our non-U.S. clients pay a performance fee. As of the date of this Brochure, only the master fund in a master feeder structure pays us a performance-based fee.

Our receipt of performance-based fees for our non-U.S. master feeder fund may incentivise us to make investments for this client that are riskier or more speculative than would be made in the absence of performance-based fees.

The side-by-side management of client accounts with and without a performance-based fee is a conflict of interest. Such conflict arises, for example, because we may devote more resources or allocate more favorable investment opportunities to clients that pay a performance-based fee.

We do not charge our clients the same fees or fee-types. As a result, we have a conflict of interest in that we may not treat all client accounts alike or favour certain clients over others. We address this by managing client assets solely according to the stated investment objectives and restrictions.

In managing client assets, we will not favour any client account over another.

Our allocation policy is designed to allocate investment opportunities on merit and in a strict pro rata basis, giving effect to available cash and specific client needs. We will not permit allocations to be made based upon the fees that a client pays.

We monitor portfolio management, allocation and trading activities and will address issues as they arise, with a view to acting solely in the best interests of our clients.

Item 7. Types of Clients

SAM HK clients include the following:

- SAMC and Samsung companies, as we act as adviser or sub-adviser to them for certain of their private funds, listed ETFs and separately managed accounts;
- private funds, including a master feeder fund structure, where we act as adviser;
- separately managed accounts for corporations, financial institutions, insurance companies and public and private retirement and pension plans, including ERISA clients.

All Clients are subject to applicable account opening, KYC and suitability requirements.

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

Investment Strategy

We focus on delivering an investment advisory service based on the clear understanding of our client's specific risk profile, investment objectives and restrictions.

We invest in companies with strong fundamentals (high barrier to entry, high ROIC, strong management and conservative balance sheet) that are undervalued. And as an investment advisor specializing in Asia, we perform our duties based on the understanding of Asian companies' specific characteristics.

We seek to achieve superior long-term relative returns by investing in companies and employing an active bottom-up growth at reasonable price ("GARP") investing approach.

The bottom-up stock selection approach seeks companies with sustainable competitive advantages, good management, high returns on equity, earnings growth and strong balance sheet trading at reasonable valuations.

The GARP investing approach utilizes a combination of growth and value strategies while an active investing style entails high portfolio turnover to exploit market inefficiencies.

Investment Process

We employ a top-down and a bottom-up approach with macro risk controls. We use the following:

1. Quantitative Screening.
 - We seek to reduce the universe of potential investments to a reasonable level (depending upon market size) by liquidity (market cap and average trading volume) and dividend yield.
 - We rank the stocks into quantities by dividend growth, earnings growth and quality factors.
2. Fundamental Analysis. We consider management quality, the ability to grow dividends, sustained and strong cash flow and valuation.
3. Portfolio Management. This is comprised of high conviction, risk management and buy/sell discipline.

Material Risks

Investing in securities includes the risk that clients may lose part or all of their investments or money.

Health related outbreaks, epidemics and/or pandemics can and do have a significant impact on investments. Impacts can result in economic downturns and cause operational, contractual and other market disruptions. Such events can cause consumer confidence and spending to fluctuate or result in increased volatility in the U.S. and worldwide financial markets. The Coronavirus pandemic is having a severe impact on the world's markets and economies, and travel. It is not possible to understand its medium- and long-term effects or how this will affect the performance of securities or the portfolios of SMAs or private funds. Our Business Continuity Plan is in effect and we are monitoring the situation carefully.

We invest in various types of securities and non-security assets to achieve our client's investment objectives. Below is a non-exhaustive list of risks that are associated with investments.

Foreign Investment Generally: Investments made outside of the U.S. and the economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as: growth of gross domestic product; rate of inflation; currency depreciation; asset reinvestment; resource self-sufficiency; and balance of payments position.

Certain non-U.S. economies are dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed

adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries, may be vulnerable to changes in trade conditions and may have higher levels of debt.

Emerging Markets Risk: The risks of foreign investments are typically greater in less developed countries, which are sometimes referred to as emerging markets. For example, political and economic structures in these countries may be changing rapidly, which can cause instability and greater risk of loss. These countries are also more likely to experience higher levels of inflation, deflation or currency devaluation, which could hurt their economies and securities markets. For these and other reasons, investments in emerging markets are often considered speculative.

Geographic Concentration Risk: A small number of companies and industries may represent a large portion of the market in a particular country or region, and these companies and industries can be sensitive to adverse social, political, economic or regulatory developments in that country or region.

Equity Securities Risk; Stock Market Volatility: Equity securities include common and preferred stocks. Stock markets are volatile. The value of equity securities is affected by changes in a company's financial condition and overall market and economic conditions. Preferred stock may be subject to optional or mandatory redemption provisions.

Foreign Securities Risk: Foreign investments may be subject to different and, in some cases, less stringent regulatory and disclosure standards than U.S. investments. Also, political concerns, fluctuations in foreign currencies and differences in taxation, trading, settlement, custodial and other operational practices may result in foreign investments being more volatile and less liquid than U.S. investments. Because foreign investments are typically issued and traded in foreign currencies, their values may be significantly affected by changes in exchange rates between foreign currencies and the U.S. dollar. Foreign regulatory and fiscal policies may affect the ability to trade securities across markets. Foreign markets may also differ widely in trading and execution capabilities, liquidity and expenses, including brokerage and transaction costs. Brokerage and transaction costs are generally higher for foreign securities than for U.S. investments.

Inflation Risk: Inflation risk is the risk that the present value of assets or income from investments will be less in the future as inflation decreases the value of money.

Large-Cap Securities Risk: Securities issued by large-cap companies tend to be less volatile than securities issued by smaller companies. However, larger companies may not be able to attain the high growth rates of successful smaller companies, especially during strong economic periods, and may be unable to respond as quickly to competitive challenges.

Non-Diversification Risk: A Client portfolio may not be diversified. Clients with assets invested in a smaller number of issuers would be more exposed to the risks associated with concentration risks and developments affecting an individual issuer than a portfolio that invests more widely.

Selection Risk: Securities may underperform the market or other securities selected by other advisers or managers.

Small and Mid-Cap Securities Risk: Securities of small and mid-sized companies may be more volatile and subject to greater risk than securities of larger companies. Small and mid-cap companies may have limited financial resources, product lines and markets. Their securities may trade less

frequently and in more limited volumes than securities of larger companies, which could lead to higher transaction costs.

Liquidity: Certain investments may be long-term in nature and may require several years before they are suitable for sale. Realization of value from such investments may be difficult in the short-term or may have to be made at a substantial discount compared to other freely tradable investments.

Item 9. Disciplinary Information

We have nothing to report about SAM HK. However, SAMC, our parent and an SEC registered investment adviser, has in its Form ADV on file with the SEC disclosed certain matters relating to it and certain of its advisory affiliates and related persons. We refer readers of this Brochure to those disclosures, none of which are related to our activities.

Item 10. Other Financial Industry Activities and Affiliations

Our compliance program aims to adhere to laws and ordinances when managing clients' assets while protecting investors from potential risks such as conflicts of interests.

To address conflicts of interests, the firm is required to identify and address the conflicts of interests that arise between the firm and its investors and/or among investors. We give priority to the clients' interests and as a fiduciary act in the best interests of our clients.

As noted elsewhere in this Brochure, we are a wholly owned subsidiary of SAMC. We manage the assets of Samsung companies and SAMC listed and private funds simultaneously with third party client money.

Mr Park Sungjin, a director of ours, is a director of SAMC and SAM NY. Mr Park will recuse himself from discussions and decision-making at SAM HK Board meetings on matters concerning SAM Seoul, and vice versa, comply with information barrier requirements and comply with a single set of PAD requirements.

Ms Josephine Kim is Finance Manager and Human Resources Manager. Ms. Kim reports to Mr Choi and will recuse herself from one of her two roles when required, with proper documentation.

The receipt of inducements, gifts or entertainment from affiliates, third party service providers or others would result in influencing decisions, trading and judgement matters. Our staff are not permitted to solicit or accept any inducement or advantage from any person having business dealings with us. Staff are permitted to accept corporate identity/promotional gifts of a minimal value or gifts on festive occasions, subject to a limit of US\$ 100 (equivalent to approximately HK\$ 780). Our staff are required to disclose any offer or gift the acceptance of which would affect their objectivity or cause them or us to breach any law, rule or regulation or involve a conflict of interest. Prior written request is required indicating all relevant factors of a gift and the circumstances. We monitor the giving and receiving of gifts, entertainment and hospitality. No person may solicit or accept any inducement, gift or entertainment or other advantage, and a breach of this subjects a person to discipline.

We manage funds for both SAMC and third-party clients respectively. Our fund managers may manage more than one fund or separately managed account. Consents for co-investments and side by side investments have been obtained from clients (by way of investment management

agreements). We record all client investment objectives and restrictions, initial and when changed. We check the transactions against the portfolio's stated investment objectives, restrictions and guidelines. Cross trading is prohibited. Fair order allocation (i.e. on pro-rata basis) must be observed.

We manage private funds and HKEx listed funds for SAMC and third-party clients. We place the interests of third parties before those of SAMC. We do not negotiate fees or advantages that are more favorable to SAMC or a Samsung fund or client. Consents for co-investments and side by side investments will be obtained from independent third parties or investors, not from SAMC or a Samsung company. We do not permit cross trading. Preference on investments is given to third party investors and accounts over affiliated funds. All investment decisions must be documented as being in the best interests of our clients, are suitable, have a reasonable basis and must not disadvantage a third-party client.

No person may misuse "confidential client information" as this term is defined in our Code of Ethics. Supervised persons comply with our Code of Ethics for personal investments and general comportment.

With prior written approval of management, certain staff have external Bloomberg Anywhere access for *bona fide* out of office work. Such data is only for SAM HK use and cannot be used for personal purposes. Such staff must comply with policies and procedures in our Compliance Manual and our Code of Ethics. Misuse of this subjects a person to discipline.

We will use Samsung Securities (Asia) Limited to effect transactions for our clients. This is a conflict of interest. When we consider using this related person, we evaluate it against our approved brokers and counterparties and an order will be placed only if the transaction is consistent with best execution standards, a commission rate no higher than customary institutional rates, the transaction is in the best interests of clients and conforms to documented investment objectives and restrictions.

SAMC is a client, delegates fund management for affiliated private funds, listed funds and separately managed accounts to SAM HK and serves as administrator for Korean domiciled funds. All investment activities concerning our delegated activities are subject to SAM HK supervision and oversight and Korean domiciled funds are audited by unaffiliated external auditors in Korea.

Employees may have outside activities that conflict with their fiduciary duties in SAM HK. All staff must disclose their outside activities and, if required, gain CEO and CCO clearance.

We have a fiduciary obligation to use our best efforts to ensure that no client is treated unfairly in relation to any other client in the allocation of securities or investment opportunities or in the order in which transactions are executed. We allocate orders and investment opportunities among clients in a manner that we believe is equitable and in the best interests of clients. While such allocations may be *pro rata* among participating clients, they will not necessarily be so where our allocation policies dictate a different result. There can be no assurance that an order or investment opportunity will be allocated in a particular manner. In dealing for our clients, we seek best execution for each trade.

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

SAM HK is a fiduciary and acts in the best interests of its clients. SAM HK has adopted a Code of Ethics ("Code") under Advisers Act Rule 204A-1 to help us discharge our fiduciary duties and to

protect against the misuse of “non-public client information” (highlighted terms are defined in our Code). The Code establishes standards of behavior for “supervised persons”; a requirement to comply with applicable U.S. federal securities laws; a requirement that each supervised person receive, read and acknowledge receipt of the Code; a requirement to report Code violations; a review of Code activities; and personal account trading (“PAD”) requirements for “access persons” and their connected persons, including holding reports; quarterly transaction reports and pre-clearance requirements.

Policies and procedures for matters such as gifts, entertainment and inducements and outside activities are contained in our Compliance Manual that sets forth written policies and procedures required by the SFC and by the SEC pursuant to Rule 206(4)-7 under the Advisers Act. Our Code is part of the Compliance Manual and both are our written policies and procedures as contemplated by Rule 206(4)-7.

From time-to-time, a supervised person may transact in or hold the same securities as Clients. The Code is designed to ensure that PAD activity must not interfere with acting in the best interest of clients and misusing confidential client information. PAD activity is subject to pre-clearance and requests may be rejected. There is also a 30-day minimum holding period. SAM HK has a Restricted List that operates to prevent any activity, client or PAD, in one or more securities or investments. PAD activity is monitored to detect and address Code breaches. SAM HK does not permit “side by side” trading (clients and access persons trading at the same time).

Persons who violate our written policies and procedures are subject to disciplinary action including, but are not limited to, written warnings, fines and/or termination of employment.

If you would like a copy of SAM HK’s Code, please contact us at contactus.samhk@samsung.com.

Item 12. Brokerage Practices

We do not take U.S. client orders to buy or sell securities. We do not trade for our own account. We do not invest U.S. client assets in Samsung or SAMC funds. We do not place orders to buy to sell securities with affiliated brokers. We do not recommend to, request or require clients to direct brokerage.

Best Execution

Best execution is the process by which we seek to achieve the best price possible, giving effect to several factors. We use the following factors to achieve best execution: price; timely execution; availability of price improvement; market liquidity; the size of the order and potential price impact; and the quality and cost effectiveness of any related clearing and settlement facilities. To help ensure best execution, we monitor the trading progress including: a percentage of orders executed; average purchase price; and material deviation between average purchase price and Volume-Weighted Average Price and/or market price, etc., to ensure that transactions are executed in accordance with following principles: 1) market impact minimisation; 2) fair allocation; 3) proper use of brokers; 4) completeness of trades; 5) non-disclosure rules; and 6) proper price.

Broker Selection

We have criteria to select a broker or counterparty (“broker”) for our approved broker list, to evaluate their performance and to select a broker for a transaction.

Our Broker Evaluation Committee selects and evaluates brokers. The Broker Evaluation Committee is comprised of the CEO (chairman), our CFO, relevant portfolio managers, analysts and traders. Meetings are held at least on a semi-annual basis.

We use the following factors to select and evaluate brokers with whom we trade: availability and direct access to broker research analysts and strategists; the quality, depth and effectiveness of the broker's investment research; the broker's ability to provide and facilitate access to conference and corporate events; access to and ability to participate in IPOs and private placements; the broker's capability to provide services at the lowest possible cost; the broker's ability to generate investment ideas that consistently lead to value creation; the broker's ability to provide sound market intelligence, information flow and trade discreteness; the broker's ability to provide the best price and to maximise the opportunity for price improvement; the broker's ability to search for and obtain liquidity to minimise market impact and accommodate unusual market conditions; the broker's ability to maintain and commit adequate capital when necessary to complete trades; the broker's electronic and programme trading capabilities (ability to execute multiple transactions) and range of associated products; the broker's overall ability to provide best execution; capability to maintain the confidentiality of an order; response time and adequate lines of communication with broker's staff and traders; efficiency and accuracy of the broker's clearance and settlement process; and the level to which the broker is responsive to comments or complaints regarding erroneous trades and its responsiveness to account for and correct errors in satisfactory manner.

We use the criteria above to select a broker with whom we place orders to buy or sell securities. On a semi-annual basis, the investment team and the trading team evaluate the performance of brokers on the approved broker list according to the selection criteria listed above. The investment team and the trading team rate the performance of the brokers separately and the two teams will jointly vote on the performance of the brokers. The investment team (which includes the portfolio managers and analysts) accounts for 90% of the voting right and the trading team accounts for 20% of the voting right. A "top tier list" of preferential brokers will be generated based on the voting result and the approved brokers will be separated into two batches: the first-tier batch being the most favourable brokers and the second-tier batch being the least favourable brokers. The "top tier list" will be adopted by the trading team for trading activities in the next six months until a new broker evaluation result becomes available.

Trading Practices

SAM HK uses Bloomberg AIMS ("AIMS") to send trade orders/transactions to a broker. Trade orders can only be created through AIMS and each trade instruction is monitored for pre-trade compliance. Once orders are placed by portfolio managers through AIMS and routed to our traders, orders are routed to SAM HK approved brokers. Only an authorised trader will execute trades and, accordingly, other than in exceptional circumstances, the trade execution activity is completely separated from the portfolio management process.

When trading for more than one client or account, we aggregate orders and perform pre-trade allocation. This may work to the advantage or disadvantage of a client. Once pre-trade allocation takes place, orders are entered into AIMS. Post trade, pre-trade allocations may not be changed unless it is proven that there was a mistake in the input of a trade by a portfolio manager (a trade error) and with specific Compliance approval based upon a clear written explanation with supporting documentation. In accounting for such aggregated order, price, commission and other expenses are averaged on a per transaction basis.

Once orders are executed, shares are allocated according to the pre-trade allocation. In the event of a partial fill, shares are allocated *pro-rata* based on the percent of orders executed.

Specific to China A Share portfolios, as these are regulated by the China authorities requiring that each account can only trade with a particular broker for each exchange (Shanghai or Shenzhen), rules are set in AIMS such that the trader could only choose the designated broker for any China A Share trades in EMSX, the trading desk in the system. In addition, a separate set of compliance rules are pre-set in CMGR according to the regulations specific to the QFII investment by SAFE and CSRC, in addition to the other compliance rules applicable to the China A Share portfolios.

Soft Commissions

Brokers may provide research or services to us, a practice called “soft dollars”.

SAM HK receives research including analyses and reports, from brokers and securities firms. We do not receive other benefits, including, but not limited to, non-research products, software or systems. Research includes information on the economy, industries, groups of securities, individual companies, statistical information, political developments, legal developments affecting portfolio securities, technical market action and credit analysis.

Research generally includes written reports, information databases and personal meetings with security analysts. Research also includes meetings arranged with corporate and industry spokespersons, economists, academicians and government representatives. This supplements SAM HK’s own research and are subject to our internal analysis before incorporation into its investment process. All non-research services or products used by us are paid for by us.

Our soft commission efforts are in accordance with Section 28(e) of the U.S. Securities Exchange Act of 1934. This permits us to cause an account to pay commission rates in excess of another broker’s rates for effecting the same transaction, if we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided. We keep records to document this. We use broker research for the benefit of all clients.

Monitoring

Both pre-trade and post-trade compliance checks are conducted on a daily basis. Relevant regulations, investment guidelines and internal policies are pre-incorporated into the system. Once portfolio managers input trade orders into the trading system, pre-trade compliance check is automatically conducted before trade orders are sent to the trading desk. Trade orders that are not in compliance with investment guidelines/regulations would be blocked and will not be executed. At the end of each day, the post-trade compliance check is automatically conducted and compliance reports are generated automatically by the system. If there are any breaches, alerts are sent to the Compliance Officer electronically.

Daily trade reports are also prepared to identify abnormal trades while monthly compliance reports for all portfolios are prepared and re-reviewed.

Trade Errors

A trade error is an unintended action or omission in the course of trading. Once a trade error is recognised, the person responsible for the error, or spotting it, must immediately notify the General Manager, the Risk Manager and the Compliance Officer. If it is possible to cancel the trade prior to

settlement, the person responsible should attempt to do this, in a manner to minimise risk or financial loss. If it is not possible to cancel the trade, the transaction should be reversed as soon as possible. If it is not possible or not prudent in the best interests of the client to reverse the trade immediately, senior management will determine whether the reversal of the trade should be delayed and what course of action to take. We will correct the trade error promptly and efficiently protecting the interests of the client. Clients receive gains and we bear losses. We do not net gains and losses.

Item 13. Review of Accounts

We review client accounts on a continuous basis, but not less than monthly. Reviews other than this are determined on a case- by-case basis by the relevant portfolio management team, risk management team and Compliance to ensure consistency with our investment processes and conformity with client investment objectives and restrictions. Some of these reviews are done on a daily or weekly basis and include an evaluation of account performance relative to certain agreed upon benchmarks or objectives, while others may include an analysis of current positions and/or asset mix.

Risk management and compliance personnel are responsible for ensuring that monitoring and testing are conducted for client portfolios on a daily, weekly, monthly, quarterly, semi-annual and annual basis.

SAM HK provides its clients with quarterly and yearly account statements that include portfolio holdings, transaction information and performance information. SAMC may also provide Clients with written reports from time to time, if clients so request.

Item 14. Client Referrals and Other Compensation

We have a Rule 206(4)-3 agreement in place with SAM NY. and we pay it a fee for solicitations or referrals as set forth in that agreement. We supervise SAM NY with respect to the activities under that agreement that it performs for us. A prospective client solicited by SAM NY will be advised of such arrangement, including the delivery of relevant documents and the receipt of fees.

Item 15. Custody

We do not have custody as this term is defined and applied in Advisers Act Rule 206(4)-2.

Item 16. Investment Discretion

Discretion

We exercise discretion over client accounts and portfolios, which means that we decide what securities and investments to buy, sell and hold. Any limitations on authority, including restrictions, are included in the IMA. The authority to trade securities may also be limited by certain laws or regulations that require diversification of investment and favour the holding of investments once made. When selecting securities and determining amounts, the Firm seeks to comply with the investment objectives and restrictions in the relevant IMA.

Non-discretion

We provide investment recommendations and investment management to clients with respect to the purchase and sale of securities. Pursuant to the relevant IMA, clients retain the investment authority whether to accept or reject recommendations. Clients effect their own trading.

Item 17. Voting Client Securities

We vote proxies for discretionary clients. When voting, SAM HK is guided by its fiduciary duties. We act prudently, solely in the client's best interests and consistent with each IMA to maximise portfolio value.

SAM HK may vote proxies directly or by instructing a client's administrator or custodian, according to the means specified in the proxy (electronic, post or other means). Evidence of the authority to vote proxies is maintained.

It may be the case that, from time to time, SAM HK's ability to vote proxies may be affected by regulatory, compliance, legal or logistical considerations. As a result, it may be the case that it is not practicable or desirable to vote proxies.

SAM HK will conduct appropriate research into the subject matter of the proxy and then decide whether, acting in the best interests of its clients and avoiding or addressing conflicts of interest, to vote or not vote. We do not use third party agents for research and assistance on the decision-making process. Decisions will be made by the responsible Portfolio Manager based upon the opinion provided by the relevant Research Analyst. Records will be maintained of all steps. The Chief Investment Officer makes the final decision. If necessary, Portfolio Manager and Research Analyst can request the corporation that issued the securities additional information in relation to the matters of the shareholders' meeting.

SAM HK may provide diverse exercise of voting when necessary. By this, we mean that, depending upon the facts and circumstances and not in any way discriminate or disadvantage clients, SAM HK may decide to vote proxies for some clients and not for others.

We use policies and procedures to help ensure that conflicts of interest do not influence our proxy voting processes. These include information barriers and taking steps to vote proxies solely in the best interests of clients and with due regard to suitability and a reasonable basis to act upon the recommendation to vote the proxy. As SAM HK manages client assets for SAMC and other Samsung companies, the interests of third-party clients supersede those of these Samsung companies. SAM HK would not vote proxies if this would in any way advantage any fund or segregated account that we manage for SAMC or any other Samsung company over a third-party client. Where a conflict of interest arises, we will only act if no client is disadvantaged in any way.

To receive a copy of our proxy policies and procedures, please contact us at the details listed on the cover of this Brochure.

Item 18. Financial Information

We have nothing to disclose.