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This Brochure provides information about the qualifications and business practices of Allard Partners Limited. If you have any questions about the contents of this brochure, please contact us at (852) 2526-9168 and/or info@allardpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Allard Partners Limited 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 provide you with information about which you determine to hire or retain an adviser.

Additional information about Allard Partners Limited is also available on the SEC’s website at www.adviserinfo.sec.gov.

March 29, 2020

ITEM 2 – MATERIAL CHANGES

There have been no material changes since the date of the most recently filed Form ADV Part 2A. We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Su Juan Chen, the Head of Compliance and Projects, at (852) 2822-9168 or info@allardpartners.com.

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

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ITEM 4 – ADVISORY BUSINESS

Adviser's Advisory Business

Allard Partners Limited, a corporation organized in Hong Kong (“Adviser”), acts as the investment adviser to private investment trusts and companies (collectively, the “Funds”) and to institutional investors on a managed account basis (collectively, the “Accounts”). Adviser was established in 1995. Adviser is wholly owned by Allard Partners Management Limited (“APML”). APML does not provide advice independently from Adviser.

Types of Advisory Services Adviser Offers

As investment adviser, Adviser provides portfolio management and administrative services to the Funds and Accounts (collectively, the “Portfolios”), including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of investments and advising the Portfolios as to the disposition of investment opportunities.

Adviser provides investment advisory services to APML's and Adviser's clients through the management of investment portfolios in accordance with the objectives and guidelines of the private investment trusts and companies as stated in each information memorandum or in accordance with the written investment management agreements with institutional investors. Adviser is the investment adviser to the Allard Growth Fund (“AGF”), as well as one or more other Funds. Interests in the Funds are not registered securities under the Securities Act of 1933, as amended. In addition, the Funds are not registered as investment companies under the Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions.

Investment Restrictions

Adviser tailors its advisory services to the individual needs of clients as described above. Clients may impose reasonable restrictions on the management of their accounts, including by restricting particular securities or types of investments. Clients should be aware that the performance of restricted accounts may differ from the performance of accounts without such impediments, possibly producing lower overall results.

Wrap Fee Programs

Adviser does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

Assets Under Management

As of December 31, 2019, Adviser had assets under management of US\$ 476 million, all of which was managed on a discretionary basis and none of which was advised on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Adviser's Basic Fee Schedule

The specific manner in which fees are charged by Adviser is established by written agreements with Adviser. Generally and pursuant to contract, fees for the management of Portfolios will be based upon a percentage of the total assets in the Portfolio (including margined assets).

Currently, except as noted below for one Account, APML receives a management fee from AGF, and APML pays an advisory fee to Adviser. For AGF and the other Portfolios, the management fee is generally equal to 1.25 percent (1.25%) per annum of the net assets of AGF and the other Portfolios and is paid monthly for the Funds, including AGF, and quarterly for the Accounts. For one Account, an unaffiliated manager pays an advisory fee directly to Adviser.

AGF investors may receive more favorable terms that are not afforded to other investors, such as reduced management fees for investors who have accounts with assets greater than US\$50 million and employees of Adviser. AGF's details, including the associated management fees, other expenses, and investment strategies, are described in its information memorandum.

In addition, for AGF and the other Portfolios, Adviser's actual fees, minimum fees, and minimum account sizes may also be negotiated and may vary from the fees described above. A client may pay more or less fees than similar clients depending on the particular circumstances of the client, size, additional or differing levels of servicing or as otherwise agreed with specific clients. Clients that negotiate fees, including a flat fee, may end up paying a higher fee than that set forth in the fee schedules above as a result of fluctuations in the client's assets under management and account performance.

Calculation and Deduction of Fees

Except for the one Account described above, APML will generally bill and collect its management fees from AGF on either a monthly basis or a quarterly basis in arrears, and, in turn, APML will pay advisory fees to Adviser. Advisory fees shall be prorated for each capital contribution and withdrawal made (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any Portfolio, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Other Fees and Expenses

In addition to investment management fees, investors in the Funds, including AGF, will indirectly bear any other costs charged to the Funds. Such costs will vary and typically include, though are not limited to, accounting, legal, fund administration fees and other related costs. Furthermore, the manager's and Adviser's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, transfer taxes, wire transfer

and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Such charges, fees and commissions are exclusive of and in addition to Adviser's fees, and Adviser shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Prepaid Fees

Adviser does not charge clients fees in advance.

Compensation for the Sale of Securities

Neither Adviser nor Adviser's supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of Funds.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Manager will generally receive a performance-based fee from each Portfolio, including AGF, which they manage. With respect to the Funds, the calculation of the performance fee is described in the Funds' information memoranda or other offering documents. With respect to the Accounts, the calculation of the performance fee generally is described in the institutional clients' written investment management agreements with Manager or Adviser.

For AGF, the performance fee is payable to Adviser, and generally will be equal to 10 percent (10%) of any increase in the net asset value per AGF Class Unit (before deduction of any performance fee and after adding back any distribution made), over and above the greater of (i) the applicable High Water Mark (as defined below) of the relevant Class Unit plus the Hurdle Amount (as defined below); or (ii) the net asset value of that relevant class unit (after any distribution made and even if no performance fee was paid) attained as at the last valuation day of the immediately preceding financial year plus the Hurdle Amount (as defined below). This performance fee is subject to adjustments through an equalization scheme, which is described in AGF's Information Memorandum.

The "High Water Mark" means the net asset value per relevant class unit (after deducting any performance fee and any distribution made) attained as at the last valuation day in the last financial year where a performance fee was last paid.

The "Hurdle Amount" means for any particular financial year the greater of (i) the applicable High Water Mark; or (ii) the net asset value per relevant class unit on the last valuation day of the last financial year (after deducting any distribution made, and even if no performance fee was paid), multiplied by 0.04 (*i.e.* 4%).

For AGF, the performance fee is currently payable to Adviser in the following increments:

- 90% of the estimated performance fee within 30 days after the end of a financial year; and
- the balance of the performance fee on completion of AGF's audited financial statements.

APML may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all investors in AGF (or their agents, including the directors of APML) or to intermediaries, part or all of the management fee and performance fee. Performance-based fees for other Portfolios are calculated on a similar basis to the performance fee for AGF.

Currently, all the Portfolios that Adviser manages are charged both a performance-based fee and a management fee. Because all such Portfolios are charged on a similar basis, the performance-based fee arrangements do not create an incentive for Adviser to favor certain Portfolios over other Portfolios. However, if in the future, Adviser manages Portfolios that are not charged on a similar basis, performance-based fee arrangements may create an incentive for Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying Portfolios over other Portfolios in the allocation of investment opportunities. In such cases, Adviser would have procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients

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ITEM 7 – TYPES OF CLIENTS

Adviser provides portfolio management services to private investment trusts and companies ("Funds") and to institutional investors on a managed account basis ("Accounts").

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Investment Strategies and Methods of Analysis

The Adviser seeks capital appreciation by searching for undervalued securities offering current income and/or opportunities for future capital appreciation. The Adviser adheres to a long-term strategic approach while seeking to meet the investment objectives of income and capital appreciation.

The Funds and Accounts managed by Adviser seek high, total returns on a risk-adjusted basis, with low volatility and correlation to the broader markets. Adviser's primary investment objective is to maximize total return via current income and future capital appreciation for its clients' portfolios. Under normal market conditions, Adviser will invest a client's assets in a diversified portfolio of equity securities and currencies. Investments may also be made in fixed income securities and in derivative instruments, including options.

Adviser uses qualitative and quantitative proprietary and third party research and proprietary analytical modeling systems to search for undervalued securities offering current income and/or opportunities for future capital appreciation. Adviser performs credit analysis of debt issuers and seeks to maintain a diversified portfolio to limit exposure to any given credit. Adviser also analyzes macro economic cycles and structural adjustments as part of the asset allocation decision.

However, as discussed below, investing in securities and other investments involves risk of loss that clients should be prepared to bear.

Material Risks for Significant Investment Strategies

While it is the intention of Adviser to implement strategies which are designed to minimize potential losses suffered by its clients, there can be no assurance that such strategies will be successful. It is possible that clients may lose a substantial proportion or all of their assets in connection with investment decisions made by Adviser. The following is a discussion of material risks for Adviser's significant investment strategies, but it does not purport to be a complete explanation of the risks involving Adviser's investment strategies.

There is no guarantee that in any time period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by Adviser.

Equity Securities

Investing in equity securities may offer a higher rate of return than those in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value.

Emerging Markets

Clients should note that the economies of individual countries in the Asia Pacific region, in which Adviser, on behalf of its clients, may invest, may differ favorably or unfavorably from the economies of more developed countries in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. In any emerging country there is the possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of a client's investments in such countries. In addition, it may be difficult to obtain and enforce a judgment in a court in an emerging country.

Settlement Risks

Adviser may cause a client to be exposed to a credit risk from parties with whom it trades and will also bear the risk of settlement default. Market practices in the emerging markets in the Asia Pacific region in relation to the settlement of securities transactions and custody of assets will provide increased risk. Although the emerging markets in the Asia Pacific region have grown rapidly over the last few years, the clearing, settlement and registration systems available to effect trades on such markets are significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the net asset value and liquidity of a client's account.

Regulatory Regime in Emerging Markets

The securities of issuers in countries with less developed markets will generally be subject to a lower level of regulation than securities issued in more developed markets. The issuers thereof are not subject to the reporting requirements of the securities laws and regulations of countries with more developed markets and regulatory schemes. Accordingly, there may be less publicly available information about the securities and about the foreign company or government issuing them than is available about a company or government entity in countries with more developed markets and regulatory schemes. Foreign companies located in countries with less developed markets are not generally subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to companies in countries with more developed markets and regulatory schemes. Further, foreign government supervision of stock exchanges, securities brokers and issuers of securities in countries with less developed markets is generally less stringent than such supervision in countries with more developed markets.

Liquidity of Investment Portfolio

The market for some securities in which Adviser, on behalf of its clients, may invest may be relatively illiquid and the liquidity of Asia Pacific markets generally has fluctuated substantially over time. Liquidity relates to the ability of Adviser, on behalf of its clients, to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investment of clients' assets in relatively illiquid securities and loans may restrict the ability of Adviser, on behalf of its clients, to dispose of their investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such contracts, and the bid and offer prices will be established solely by dealers in these contracts.

Market Risk

Market risk is the risk of negative movements that affect the price of all assets within a particular market. These negative movements can be caused by factors such as economic, technological, political or legal conditions, social and environmental factors and market sentiment.

There are a number of aspects that can adversely affect the performance of a client's portfolio:

- Adviser may find it difficult or impossible to liquidate a position due to the current conditions of an Asia Pacific market. As an example, a number of markets and exchanges impose pre-determined levels beyond which trading cannot take place. These limit moves are usually determined by the previous trading day's closing price. There is also the risk that a market being traded is illiquid, which makes it difficult to exit a position. Importantly however, market liquidity will be an important determinant as to which stocks a client's portfolio may be invested in.
- In certain market conditions, losses may be greater than that anticipated by Adviser. During periods of rapid change in market conditions (periods during which prices move at a rate faster than is normally experienced), it may become impossible to execute orders placed by Adviser. The placement of stop-loss or stop-limit orders may not necessarily limit losses to the amounts specified.

Default Risk

It should be noted that derivatives, swaps and certain options and other custom derivative or synthetic instruments are subject to the risk of non-performance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits.

Derivatives

Derivatives include instruments and contracts the value of which is linked to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor either to hedge or to speculate upon the price movements of a particular security, financial benchmark or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result not only in the loss of the entire investment, but may also expose a client's portfolio to the possibility of a loss exceeding the original amount invested. Adviser on behalf of the client may trade derivatives on exchanges and over-the-counter and may deal in American-style derivatives and European-style derivatives.

The use of derivative instruments presents various risks as follows:

- Basis Risk - Basis Risk is a related form of market risk (as described above) that is also relevant to derivatives management. Basis risk is the risk that a derivative position will

not move in line with a physical position, i.e. the potential for loss (or profit) arising from any failure of the prices of derivatives to track precisely the theoretical values calculated from the prices of the underlying assets on which they are based.

- **Liquidity** - Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances so that in volatile markets, Adviser may not be able to sell assets without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on derivatives which exist on certain exchanges may prevent prompt liquidation of positions, subjecting the client's assets to the potential of greater losses.
- **Leverage** - Trading in derivative instruments can result in large amounts of leverage or gearing. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by a client and could cause the net asset value of a client's portfolio to be subject to wider fluctuations than would be the case if Adviser did not use the leverage feature in derivative instruments.

Foreign Currency Markets

A client's portfolio will have exposure to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than in the base currency. It may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Material Risks for Particular Types of Securities

Adviser does not recommend primarily a particular type of security. The material risks involved in Adviser's general investment strategies are described above.

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 an adviser or the integrity of the adviser's management. Adviser has no information applicable to this Item 9.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

Adviser and Adviser's management persons are not registered with the Securities and Exchange Commission ("SEC") as a broker-dealer or registered representatives, respectively.

Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

Adviser is not registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”), a commodity trading adviser (“CTA”) or a futures commission merchant (“FCM”). Adviser is exempt from registration with the CFTC and is not registered with the CFTC as a CPO in respect of the AGF pursuant to an exemption under CFTC Rule 4.13(a)(3) and as a CTA pursuant to Rule 4.14(a)(8).

Other Material Relationships

Adviser has relationships with APML and Allard Partners Australia Pty Limited (“APA”). Specifically, APML and APA are sister companies, which are owned by common shareholders, and Adviser is a wholly owned subsidiary of APML. APML is the manager of AGF and of the Portfolios (except one Fund and one Account) for which Adviser provides investment advisory services. APA is the manager of one Fund. However, both APML and APA manage all their Portfolios *pari passu* with the Portfolios managed by Adviser, and APA does not provide investment advice independently from Adviser. Adviser believes that the *pari passu* management policy avoids any conflicts of interest between APML, APA and Adviser because all the Portfolios are managed in a consistent manner.

Adviser does not have any other relationships or arrangements that are material to Adviser’s advisory business or to its clients that Adviser or any of its management persons have with any of the following related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund); (iii) a futures commission merchant, commodity pool operator, or commodity trading adviser; (iv) a banking or thrift institution; (v) an accountant or accounting firm; (vi) a lawyer or law firm; (vii) an insurance company or agency; (viii) a pension consultant; and (ix) a real estate broker or dealer sponsor or syndicator of limited partnerships.

Other Financial Industry Activities or Affiliations

Adviser generally does not recommend or select other investment advisers for its clients. In addition, Adviser does not receive compensation directly or indirectly from other investment advisers and does not have other business relationships with other investment advisers.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Adviser has adopted a Code of Ethics (“Code”) pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended, that permits Adviser’s employees to hold securities, including securities that may be purchased or held by Adviser’s clients, for their own accounts,

subject to limitations set forth in the Code. The purpose of the Code is to (i) ensure that personal transactions do not conflict with client transactions and that in any situation where the potential for conflict exists, client interests take precedence and (ii) maintain standards of conduct at the highest level of integrity.

The Code applies to all personal dealings in securities and derivatives (including shares in listed and unlisted companies, corporate bonds, futures, options and warrants) traded by Adviser's employees on behalf of their own accounts, accounts of their minor children and other accounts where the employees hold beneficial interests. The Code requires employees to obtain written permission prior to placing any trading orders. Among other limitations, permission will not be granted where there are any pending or outstanding orders for any of Adviser's clients or where there is a risk of benefiting the employee at the expense of Adviser's client(s). Furthermore, the Code restricts the timing of when Adviser's employees may buy or sell investments for their personal accounts, as well as prohibits certain types of dealings and investments by Adviser's employees (*e.g.*, without limitation, short sales, day trading and margin trading are prohibited). In essence, the Code provides that all client orders must take priority over an employee's order.

A copy of Adviser's Code is available to clients and prospective clients upon request.

Privacy Policy

Adviser recognizes the importance of ensuring that its clients have confidence in the way it handles personal information. The discussion below summarizes Adviser's policy for handling personal information and provides clients with information about what Adviser can do with their personal information.

Adviser defines "personal information" as any information about an individual that identifies the individual or by which the individual's identity can reasonably be ascertained. Adviser only collects personal information that is necessary for one or more of its functions or activities. Adviser is subject to certain legislative and regulatory requirements which necessitate it obtaining and holding detailed information which personally identifies clients and may contain information or an opinion about its clients ("Personal Information"). Adviser will not collect any Personal Information about a client except where the client has knowingly provided that information to Adviser or authorized a third party to provide that information to Adviser.

Adviser uses the Personal Information it holds in order to provide its clients with the services they request. Adviser will not use or disclose Personal Information it collects for any purpose other than:

- the purposes for which it was provided or secondary related purposes in circumstances where a client would reasonably expect such use or disclosure;
- where the client has consented to such disclosure; or
- where applicable law or regulations authorize use or where disclosure is required by law.

Adviser will take reasonable steps to ensure that all Personal Information it collects or uses is:

- accurate, complete and up-to-date;
- stored in a secure environment; and

- accessed only by authorized personnel for permitted purposes.

A copy of Adviser's Privacy Policy is available to clients and prospective clients upon request.

Participation or Interest in Client Transactions and Associated Conflicts of Interest

Persons related to Adviser including officers, directors and employees buy, sell, and have a financial interest in securities recommended to clients. Such persons buy, sell, or have a financial interest in such securities by investing directly in the Funds, or otherwise through independent transactions in personal accounts subject to Adviser's Code and employee trading supervision described below. Potential conflicts of interest in connection with such transactions are generally disclosed to clients herein and otherwise.

The potential conflicts of interest involved in any such transactions are generally governed by Adviser's Code. Pursuant to the stipulations of the Code, Adviser or a related person may buy or sell for itself securities that it also recommends to clients. The potential conflicts of interest involved in such transactions are governed by the Code, which establishes sanctions if its requirements are violated and requires that Adviser and employees place the interests of Adviser's clients above their own.

Investments in Securities by Adviser's Personnel

All of Adviser's personnel are subject to Adviser's policies and procedures regarding confidential or proprietary information, the information barriers and personal trading. In addition, Adviser has additional policies and procedures relating to certain personal securities transactions by Adviser's personnel which Adviser deems to involve potential conflicts including conflicts involving Adviser's personnel and client accounts managed by Adviser. See discussion above.

Some of Adviser's personnel invest in the Funds. However, these investments do not create any conflicts of interest because Adviser, APML and APA do not manage portfolios for their own accounts, and Adviser has policies and procedures in place to avoid potential conflicts of interest due to its personnel investing in the Funds. In addition, when Adviser provides portfolio management services to institutional investors on a discretionary basis, such accounts will generally be managed *pari passu* with the Funds, which therefore would avoid any conflicts of interest which may otherwise arise by Adviser's personnel investing in the Funds.

Trading Alongside by Adviser and its Personnel

As discussed above, currently, APML and APA do not manage portfolios for their own accounts. In addition, when Adviser provides portfolio management services to institutional investors on a discretionary basis, such portfolios will generally be managed *pari passu* with the Funds. Under this structure, Adviser, APML and APA would not recommend securities to its clients, or buy or sell securities for its clients' accounts, at the same time that they would buy the same securities for their own accounts. In addition, Adviser's personnel are subject to policies and procedures to

avoid potential conflicts of interest under these circumstances. Adviser believes that the *pari passu* management policy would avoid any conflicts of interest with Adviser managing the Funds' accounts and Accounts of other clients, because Adviser would be managing all accounts in a consistent manner.

ITEM 12 – BROKERAGE PRACTICES

Broker-Dealer Selection

Adviser has full discretion to select brokers or dealers as well as the commission rates at which the transactions for clients are effected. It is Adviser's policy to seek best execution at the best price available with respect to each transaction, in light of the overall quality of brokerage and research services provided to it or its clients. The best price means the best net price without regard to the mix between purchase or sale price and commissions. In selecting broker-dealers, and in negotiating commissions, Adviser considers a variety of factors, including best price and execution, the full range of brokerage services provided by the broker, as well as its capital strength and stability, and the quality of the research and research services provided by the broker.

In determining the abilities of a broker or dealer to obtain best execution for portfolio transactions, Adviser will consider all relevant factors, including the execution capabilities required by the transactions; the ability and willingness of the broker or dealer to facilitate the portfolio transactions by participating therein for its own account; the importance to the account of speed, efficiency and confidentiality; the broker or dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold; the reputation and perceived soundness of the broker or dealer; as well as other matters relevant to the selection of a broker or dealer for portfolio transactions for any account. Adviser will not adhere to any rigid formula in making the selection of the applicable broker or dealer for portfolio transactions, but will weigh a combination of the preceding factors.

Adviser will have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of the Portfolios. Although Adviser will generally seek competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker or dealer involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Research and Other Soft Dollar Benefits

Consistent with obtaining best execution, brokerage commissions on client portfolio transactions may be directed to brokers in recognition of research services furnished by them, as well as for services rendered in the execution of orders by such brokers. As a general matter, such research services are used to service all of Adviser's clients. However, Adviser currently has no written

soft dollar agreements and did not, in its last fiscal year, direct client transactions to any particular broker in return for any soft dollar benefits.

Furthermore, there is no agreement or formula for the allocation of brokerage business on the basis of research services. Adviser may, in its discretion, cause the client to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where Adviser has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, Adviser would not be required to place or attempt to place a specific dollar value on the brokerage or research services provided by such broker.

When allocating trades to clients, Adviser must ensure that over time each client is treated fairly and equitably in the execution of transactions. Therefore, trading personnel must ensure that, over time:

- clients are treated fairly as to the securities purchased or sold for their accounts;
- clients are treated fairly with respect to the priority of execution of orders;
- clients are treated fairly in the allocation of trades;
- allocation of trades is done on a timely basis; and
- all accounts participating in an aggregated order receive average price and share transaction costs pro-rata.

Brokerage for Client Referrals

Adviser generally does not consider, in selecting or recommending broker-dealers, whether Adviser or a related person receives client referrals from a broker-dealer or third party.

Directed Brokerage

Adviser generally has the discretionary authority to determine and direct execution of portfolio transactions within the client's specified investment objectives without prior consultation with the client on a transaction-by-transaction basis.

Aggregation of Trades

Adviser has the fiduciary duty to execute orders for its clients fairly and equitably. Adviser follows written procedures pursuant to which it may, for clients who permit it, and to the extent consistent with best execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "bunching") so that they can be executed at the same time. The procedures followed by Adviser may differ depending on the particular strategy or type of investment. Adviser is not required to bunch or aggregate orders if: (1) portfolio management decisions for different portfolios are made separately; or (2) Adviser determines that bunching or aggregating is not practicable. Adviser may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for Portfolios that are not aggregated. Where transactions for a client's account are not aggregated with other orders, it may not benefit from the better price and lower commission rate. Because of prevailing trading activity, it may

not be possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in the Adviser's discretion, be averaged and accounts will be charged or credited with the average price. The effect of such aggregation may operate on some occasions to a Portfolio's disadvantage.

ITEM 13 – REVIEW OF ACCOUNTS

Review of Accounts

Portfolios are reviewed on a continuous basis by the investment team. These reviews are designed to monitor and analyze the transactions, positions, and investment levels. Particular attention is given to changes in company fundamentals, industry outlook, market outlook, and price levels. Generally, these reviews are performed by managers and directors of Adviser.

Factors Triggering a Review

Adviser also performs reviews of its clients' accounts as appropriate based on, among other things, changes in market conditions, changes in security positions or changes in a client's investment objectives or policies, or in response to a request by a client for a meeting or the occurrence of such meetings.

Client Reports

Adviser prepares and provides to clients written newsletters on a monthly basis to report Portfolio data and performance. These newsletters generally include, among other things, a summary of activity in the Portfolio, a summary of the top ten holdings, a Portfolio valuation, and the change in value of the Portfolio during the reporting period.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

No person who is not a client of Adviser provides an economic benefit to Adviser for providing investment advice or other advisory services to Adviser's clients.

Compensation for Client Referrals

APML has entered into at least one agreement whereby a party affiliated with Adviser, but who is not subject to Adviser's supervision or control, would be entitled to compensation in the event that it successfully solicits clients on Adviser's behalf.

APML endeavors to enter into these arrangements, with affiliated parties, on an arms-length basis.

ITEM 15 – CUSTODY

With respect to Adviser's "U.S. Clients" (as defined below), such clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the clients' investment assets. Adviser urges U.S. Clients to carefully review such statements and compare such official custodial records to the account statements that Adviser may provide to you. Adviser's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The term "U.S. Clients" includes U.S. institutional investors for which Adviser provides separate managed account services and investors in U.S. Funds (if any) managed by Adviser and excludes U.S. investors in non-U.S. Funds managed by Adviser.

Under the "regulation lite" regime, a non-U.S. adviser is permitted to treat the non-U.S. funds that it manages as its clients for all purposes of the Investment Advisers Act of 1940, as amended (the "Advisers Act") other than for certain registration and reporting sections. The investors in the non-U.S. funds are not treated as the non-U.S. adviser's clients for these purposes. Thus, U.S. investors in non-U.S. funds that are managed by a non-U.S. adviser are not considered U.S. clients of the non-U.S. adviser. Accordingly, most of the substantive provisions of the Advisers Act, including the rules relating to custody, would not apply to Adviser with respect to the non-U.S. Funds that it manages. Adviser and the custodians will, however, be subject to the laws and regulations in their countries of residence.

ITEM 16 – INVESTMENT DISCRETION

Adviser usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Adviser in writing.

ITEM 17 – VOTING CLIENT SECURITIES

Proxy Voting Policies – Authority to Vote

Adviser will be subject to the laws and regulations regarding proxy voting in its country of residence.

On behalf of its clients, Adviser invests in securities issued by both public and private issuers. In relation to these investments, Adviser has the authority to vote proxies. Adviser has adopted and implemented written policies and procedures reasonably designed to ensure that it votes proxies for client securities in the best interest of clients and address material conflicts that may arise between its interests and those of its clients relating to proxy voting. Proxy voting decisions are the responsibility of the portfolio managers and are made in accordance with Adviser's proxy voting policies and procedures.

In Portfolios where Adviser votes proxies, Adviser will determine to vote a proxy depending on, among other things, the cost of analyzing the proxy compared to the expected benefit of the vote to its clients, the subject of the proxy and the size of the position the clients hold in the issuer (proxies of issuers in which clients hold a small position are less likely to be voted than those for issuers in which clients have made a significant investment). In determining how to vote individual proxies, Adviser shall take into account the best interests of its clients as well as any potential conflicts of interest among its clients and Adviser or its affiliates. Adviser or its delegate shall make and keep a written record of how all proxies have been voted on behalf of clients. Adviser is responsible for identifying any potential conflicts of interest that may arise in the proxy voting process

Examples of conflicts may include situations where Adviser or its affiliates have a material business relationship with a proponent of a proxy proposal, which may influence how the vote is cast, or has a business or personal relationship with participants in a proxy contest, directors, or candidates for directorships. Adviser will refer any such conflicts of interest to its directors for resolution.

We note that the proxy voting rules under the Investment Advisers Act of 1940, as amended, would generally apply only with respect to Adviser's U.S. Clients (as defined under Item 15) under the "regulation lite" regime described above under Item 15. However, subject to the record keeping policies described in the paragraph below, the policies and procedures discussed above would generally apply to all Adviser's clients.

Thus, for Adviser's U.S. Clients, Adviser will follow the proxy voting procedures and policies discussed above. In addition, with respect to such U.S. Clients, Adviser will retain (i) its proxy voting policies and procedures; (ii) proxy statements received regarding client securities; (iii) records of votes cast on behalf of clients; (iv) records of clients' requests for proxy voting information; and (v) any specific documents Adviser prepared that were material to making a decision how to vote, or that memorialized the basis for the decision.

Adviser's proxy voting policies and procedures and information on how specific proxies were voted is available to clients and prospective clients upon request.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item 18 to provide you with certain financial information or disclosures about Adviser's financial condition. Adviser does not require prepayment of any fees, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Accordingly, no financial statements are required to be provided by Adviser to its clients and prospective clients.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Advisers who are registered or are registering with state securities authorities are required in this Item 19 to provide you with certain information about their business and management teams. Adviser is federally registered and is therefore not required to complete this Item 19.