

**CIM Investment Management Limited**

**31<sup>st</sup> March 2020**

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**This brochure provides information about the qualifications and business practices of CIM Investment Management Limited (“CIM”). CIM is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the United States Investment Advisors Act of 1940 as amended. If you have any questions about the contents of this brochure, please contact Paul Dumond at +44 20 7468 7648. The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.**

**Additional information about CIM Investment Management Limited is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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#### **Item 4. Advisory Business**

CIM is an investment adviser with its principal place of business in London, England. It commenced operations in May 2006. As of March 31 2020 CIM, managed approximately \$503,000,000 of client assets on a discretionary basis and \$3,000,000 on a non-discretionary basis.

CIM has entered into a sub-management agreement with Santa Lucia Asset Management Pte, Ltd. ('SLAM'), a Singapore based entity, whereby SLAM provides investment management services to CIM. Under this agreement significant portions of CIM's client portfolios are managed by SLAM on a discretionary basis although CIM oversees the work of SLAM and retains full responsibility for these portfolios. SLAM is registered as an investment adviser with the SEC under the United States Investment Advisors Act of 1940 as amended.

CIM and SLAM are under common ownership. James Morton owns 100% of both CIM and SLAM, and is the Chief Executive Officer and Chief Investment Officer of SLAM.

CIM provides portfolio based investment management services on a discretionary and non-discretionary basis to its clients, which, at March 31 2020 comprised pooled investment vehicles and other investment advisors. It also offers these services to companies and institutions with separately managed accounts.

CIM provides its investment management services to client accounts based on specific investment objectives and strategies. Under certain circumstances, CIM may agree to tailor advisory services to the individual needs of clients who are institutions with separately managed accounts.

Clients who are institutions with separately managed accounts may impose restrictions on investing in certain securities or certain types of securities.

## **Item 5. Fees and Compensation**

### **Asset-Based Compensation**

CIM charges each client an investment management fee based on the value of the client's assets under management. For pooled investment vehicle clients where CIM is the investment manager these fees range between 0.85 per cent per annum and 2.00 percent per annum depending on the investment strategy followed. For managed accounts and advisory arrangements these fees vary depending on the size of the client account and range between 0.12% and 0.40% per annum

Investment management fees are usually charged each month in arrears and are normally based on the total market value of the assets in the client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last day of the month but can also be based on weekly or daily values throughout the month.

If a new client account is established during a month or a client makes an addition to its account during a month, the investment management fee will be prorated for the number of days remaining in the month. If a client's investment management agreement is terminated or a withdrawal is made from a client account during a month, the fee payable to CIM will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the month in which the investment management arrangement was in effect or such amount was in the account.

These fees are negotiable.

### **Performance-Based Compensation**

CIM may also be paid a performance-based fee, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a pooled investment vehicle). This compensation may be paid to CIM or to a related person of CIM and ranges between 10% and 20% of the capital gains or the capital appreciation. In the case of managed accounts arrangements performance fees may be calculated by reference to performance compared to a specified benchmark. Under certain circumstances, receipt of performance-based compensation may be subject to a hurdle rate of 6%.

These fees are negotiable.

In the case of certain managed accounts CIM deducts the investment management fee and the performance-based fee from the client account by instructing the client's custodian. In all other cases CIM does not deduct the investment management fees and performance fees from client accounts. Instead CIM bills clients. The client may select the method by which it would like to pay the investment management and performance fees. CIM usually deducts client accounts or bills clients for investment management fees monthly.

In addition to paying investment management fees and, if applicable, performance-based fees, client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts.

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

CIM and its investment personnel provide investment management services to multiple portfolios for multiple clients. CIM is entitled to be paid performance-based compensation by its private pooled investment vehicle clients and other client accounts. In addition, CIM's investment personnel are typically compensated on a basis that includes a performance-based component. In addition, certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When CIM and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. CIM and its investment personnel may have a greater incentive to favor client accounts that pay CIM (and indirectly the portfolio manager) performance-based compensation or higher fees.

CIM has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities.

CIM's investment mandates currently apply distinct and differing investment criteria. However, its policy for dealing with situations where mandates are to be managed on a broadly *pari passu* basis, is to review investment decisions for the purpose of ensuring that all accounts are treated equitably. The performance of similarly managed accounts is required to be regularly compared to determine whether there are any unexplained significant discrepancies. CIM's procedures relating to the allocation of investment opportunities require that substantially similarly managed accounts participate in investment opportunities *pro rata* based on asset size subject to cash availability in the clients' accounts and require that, to the extent orders are aggregated, the client orders are price-averaged. CIM's procedures also require the objective allocation of limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas are monitored by CIM's Chief Compliance and Risk Officer.

## **Item 7. Types of Clients**

CIM's clients consist of private funds, other investment managers and other institutions such as sovereign wealth funds.

CIM requires that a client invests a minimum of \$5 million (subject to regulatory requirements) to open an account and to maintain a minimum account size of \$5 million. If the account size falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with CIM to meet the minimum account size. The minimum amount for an advisory account is \$500,000.

With respect to any client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the offering memorandum for the pooled investment vehicle.

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

**A. Methods of Analysis and Investment Strategies.** CIM utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research including desk top reviews of available financial information and financial modeling and proprietary valuation analysis, as well as company visits, complimented by technical analysis.

CIM employs the following investment strategies:

*Buy and Hold.* CIM primarily engages in a buy and hold investment strategy wherein CIM buys securities and holds them for a relatively longer period of time (the initial expectation is 12-36 months), regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

- *Fundamental Value.* CIM engages in a fundamental value investment strategy wherein CIM attempts to invest in asset-oriented securities it believes are undervalued by the market.
- *Relative Value.* CIM pursues relative value strategies by taking long positions in securities believed to be undervalued relative to comparable companies or sector multiples.
- *Growth.* CIM engages in a growth investment strategy wherein CIM attempts to select securities of a company whose earnings and net asset value CIM expects to grow at an above-average rate compared to the company's specific industry or the overall market and where valuation multiples are lower than these growth rates.

*Fixed Income.* CIM invests to a very limited degree in fixed income and convertible debt instruments across the duration (from money market and short bond to intermediate to long bond) and credit (from investment grade to high yield) spectrums.

The range of currencies contained in CIM client accounts includes most major currencies and reflects the geographic location of the relevant instrument.

These strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

### **B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.**

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, less effective management, a more vulnerable competitive position, and limited financial resources, any one of which can increase the risk level of an investment. The shares of smaller companies can be more prone to declines in trading volumes in times of declining prices.

*Relative Value Risk.* In the event that the perceived mispricings underlying CIM's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by CIM, client accounts may incur a loss.

*Lack of Diversification.* Client accounts will not necessarily be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios may be subject to more rapid change in value than would be the case if CIM were required to maintain a wider diversification among types of securities and other instruments, and more concentration can lead to higher risk levels.

*Interest Rate Risks.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as

interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. High yield shares may also experience a similar relationship, though the degree of impact is generally lower and thus the degree of risk may vary.

*Hedging.* There can be no assurances that a particular hedge is appropriate, or that risk is measured properly. Further, while CIM may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for CIM's investment portfolios than if CIM did not engage in any such hedging transactions.

*Distressed Situation Risk.* Investment in distressed situations exposes the client to significant risks, over and above the normal operating and financial risks including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating to fraudulent conveyances, inaccurate or fictitious accounts, voidable preferences, lender liability and bankruptcy; litigation risk; liquidity risk; and collection risk. Moreover, to the extent client accounts are invested in sovereign debt obligations, those investments will be subject to additional risks and considerations not present in private distressed situations, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which are affected by world events and other factors outside of the control of CIM.

***C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).***

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Emerging Markets.* The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established, can be open to abuse, and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, currency devaluation or regulatory intervention which can harm their economies and securities markets and increase volatility. Restrictions and/or taxes on trading of currencies and/or financial instruments that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries. Lower reporting requirements and less rigorous enforcement can make reporting vulnerable to inaccuracy or even manipulation.

*Non-U.S. Securities.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Currency Risks.* Clients' investments are likely to be denominated in several currencies, which may or may not be linked to the US Dollar. CIM may hedge currency risks back to the US dollar against other currencies such as the UK pound Sterling or the Euro and Yen, but will only do so where, in CIM's opinion, it is practicable and economic to do so. Certain currencies especially those of emerging markets are not easy to hedge or hedging may only be available at such cost as to be unattractive. Clients will therefore be exposed to currency fluctuations.

*REITs.* REITs in which CIM invests client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which CIM invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject



to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITS depend generally on their ability to generate cash flow to make distributions to investors.

*Natural resource investments.* Companies exploring for, developing and producing natural resources are affected by business, financial market or legal uncertainties that could affect the value of and return on their investments. Prices of such investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic, social and political developments including changes in regulation, tax or property rights, may significantly affect their value.

*Technology Investments.* Investments in technology stocks are especially vulnerable to the rapid pace of change and to new developments that may render their product or services obsolete. Thus investment in such securities usually involves a higher level of volatility and a higher degree of risk, than in most other types of equity.

*Illiquid Instruments.* Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and CIM's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for CIM to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

*Distressed Securities.* Securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

*Fixed-Income and Debt Securities.* Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolio to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Derivatives.* Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments may require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or CIM. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

**Item 9. Disciplinary Information**

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

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

CIM has entered into a sub-management agreement with Santa Lucia Asset Management Pte. Ltd. ('SLAM'), a Singapore company. James Morton owns 100% of CIM and SLAM and is the Chief Executive Officer and Chief Investment Officer of SLAM.

SLAM provides investment management services to CIM pursuant to a contract entered into in February 2011, as subsequently amended. Under this contract significant portions of CIM's client portfolios are managed by SLAM on a discretionary basis, although CIM oversees the work of SLAM and retains full responsibility to its own clients.

The relationship between CIM and SLAM may cause a conflict of interest with clients in as much as the management and staff at SLAM may work on SLAM's own clients' accounts in preference to working for CIM managing CIM's client interests. To address this situation the contract between CIM and SLAM sets out the operational procedures that must be adopted in the management by SLAM of the portfolios of CIM's clients. Additionally CIM monitors the work of SLAM on CIM's clients' portfolios on a regular basis.

Furthermore the activities of all SLAM persons are subject to a similar level of compliance policies and procedures which are reviewed periodically by Malcolm Jennings, the Chief Compliance and Risk Officer of CIM.

Each of the private funds for which CIM serves as investment manager may enter into additional agreements, or "side letters", with certain prospective or existing shareholders whereby such shareholders may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the respective fund. For example, such terms and conditions may provide for special rights to make future investments in other investment vehicles, a waiver or rebate in fees or redemption penalties to be paid by the shareholder, rights to receive reports from the fund on a more frequent basis or that include information not provided to other shareholders (including, without limitation, more detailed information regarding portfolio positions), and such other rights as may be negotiated with such shareholders. The modifications are solely at the discretion of CIM and may, among other things, be based on the size of the shareholder's investment in the respective fund, an agreement to maintain such investment in the fund for a significant period of time, or other similar commitment by a shareholder to the fund.

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

CIM has adopted a Code of Ethics and Standards of Professional Conduct (the “Code”) that obligates CIM and its related persons to put the interests of CIM’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of CIM’s directors and employees and its related persons are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Malcolm Jennings (Chief Compliance and Risk Officer) by email at [m.jennings@ciminvest.com](mailto:m.jennings@ciminvest.com), or by telephone at +44 20 7468 7650. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

CIM, in the course of its investment management activities may come into possession of confidential or material nonpublic information about issuers, including issuers in which the CIM or its related persons have invested or seek to invest on behalf of clients. CIM is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. CIM maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that CIM is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, CIM may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but CIM will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, CIM will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the CIM possesses such information), or not using such information for the client’s benefit, as a result of following CIM’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Investments by CIM or its related persons in the same securities (or related securities, e.g., warrants, options or futures) that CIM or a related person recommends to clients could present a conflict where, because of the information CIM has, CIM or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients’ trades). In addition to affecting CIM’s or its related person’s objectivity, these practices by CIM or its related persons may also harm clients by adversely affecting the price at which the clients’ trades are executed.

CIM has adopted the following procedures in an effort to minimize such conflicts: CIM prohibits any acquisitions of such securities by itself or its related persons that are held in client portfolios. In relation to disposals of any such security by a member of staff or a related person CIM requires that all such transactions be pre-approved by its Chief Compliance and Risk Officer who may deny permission to execute the transaction if such transaction may have any adverse economic impact on one of its clients.

CIM’s Code prohibits it or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance and Risk Officer. All CIM’s related persons are required to disclose their securities transactions on a quarterly basis. All of CIM’s related persons are also required to provide broker statements on a bi-annual basis and an annual confirmation that they have provided all relevant information. Trading in employee accounts is reviewed by the Chief Compliance and Risk Officer and compared with transactions for the client accounts and reviewed against the restricted securities list.

## Item 12. Brokerage Practices

CIM considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, and availability of securities to purchase or sell. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, CIM need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not CIM's related persons' practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. CIM's Chief Compliance and Risk Officer and portfolio managers meet periodically to evaluate the broker-dealers used by CIM to execute client trades using the foregoing factors. CIM itself does not receive any research, brokerage or other services provided by a broker-dealer which are included in the commission rate charged by that broker.

CIM's related persons which are located outside the United Kingdom, but not CIM itself, may receive research or other products or services other than execution from broker-dealers in connection with client securities transactions. This is known as a "soft dollar" relationship. CIM limits the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

When CIM's related persons use client commissions to obtain Section 28(e) eligible research and brokerage products and services CIM's Chief Compliance and Risk Officer and portfolio managers meet periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or CIM's overall responsibilities to the accounts or portfolios over which CIM exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises potential conflicts of interest. For example, CIM's related persons will not have to pay for the products and services themselves. This could create an incentive for CIM's related persons to select or recommend a broker-dealer based on its interest in receiving those products and services; although the client fee structure creates a strong incentive for CIM's related persons to maximize investment performance.

Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by CIM's affiliates in other investment activities, including, for the benefit of other client accounts. CIM's related persons do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

During CIM's last fiscal period, as a result of client brokerage commissions (or markups or markdowns) CIM's related persons acquired research reports (including market research); certain financial newsletters and trade journals; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. However, in relation to all broker organized conference and client visits CIM's affiliates pay for their travel and associated costs.

CIM sometimes purchases or sells the same security for more than one of its clients at or near the same time and using the same executing broker. In these circumstances it is CIM's practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted contemporaneously/at or near the same time for execution using the same executing broker. Such aggregation may enable CIM to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, CIM allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations, or depending on the liquidity of the particular security in client portfolios. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, CIM's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating clients. This area is monitored by CIM's Chief Compliance and Risk Officer.

### **Item 13. Review of Accounts**

Each client account is reviewed by CIM's Chief Compliance and Risk Officer on a monthly basis to determine whether securities positions should be maintained in view of adherence to investment guidelines and the performance of each client account. Each client account is also reviewed daily by the portfolio manager to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client or specific arrangements with particular clients may trigger reviews of client accounts on other than a periodic basis.

For client accounts that are pooled vehicles, that client's investors receive reports from the client pursuant to the terms of each client's offering memoranda or as otherwise described in the offering document of the client.

Each client that is a separate account will receive a monthly portfolio report, summary sheet showing account statistical data and, where requested, a written review produced by CIM. Such reports may be delivered electronically to the client in accordance with the client's agreement with CIM.

**Item 14. Client Referrals and Other Compensation**

CIM makes cash payments to third-party solicitors for client referrals and referrals of potential investors to private funds that it manages. CIM provides each prospective client with a copy of its Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and CIM and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.



**Item 15. Custody**

This section is not applicable

## **Item 16. Investment Discretion**

CIM provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on CIM's discretionary authority.

Prior to assuming full/limited discretion in managing a client's assets, CIM enters into an investment management agreement or other agreement that sets forth the scope of CIM's discretion.

Unless otherwise instructed or directed by a discretionary client, CIM has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. CIM's portfolio managers work together to agree the allocation of securities to (or from) client accounts. The portfolio managers may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. These factors may lead CIM to allocate securities to client accounts in varying amounts. These areas are monitored by CIM's Chief Compliance and Risk Officer.

Allocations will be made among client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when CIM determines in its discretion that a pro rata allocation is not appropriate, which may include a client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a client's status as a "restricted person" under applicable regulations.

Securities acquired by CIM for its clients through a limited offering will be allocated pursuant to the procedures set forth in CIM's allocation policy. The policy provides that each portfolio manager will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the clients and the client's investment objectives and strategies.

If it appears that a trade error has occurred, CIM will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, CIM's error correction procedure is to ensure that clients are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. CIM has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy.

## **Item 17. Voting Client Securities**

To the extent that CIM has been delegated proxy voting authority on behalf of its clients, CIM complies with its proxy voting policies and procedures that are designed to ensure that in cases where CIM votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

In circumstances where CIM's clients have given CIM discretion to vote securities clients are permitted to direct their votes in a particular solicitation. A client that wishes to direct its vote in a particular solicitation shall give reasonable prior written notice to CIM indicating such intention and provide written instructions directing CIM's the vote in regard to the particular solicitation. Where such prior written notice is received, CIM will vote proxies in accordance with such written instructions received from a client, provided that such instructions are provided to CIM in a timely manner.

If a material conflict of interest between CIM and a client exists, CIM will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or take some other appropriate action.

Clients may obtain a copy of the CIM's proxy voting policies and procedures and information about how CIM voted a client's proxies by contacting Malcolm Jennings (Chief Compliance and Risk Officer) by email at [m.jennings@ciminvest.com](mailto:m.jennings@ciminvest.com) or by telephone at +44 20 7468 7650.

In the case of clients where CIM does not have authority to vote client securities clients will receive their proxies or other solicitations directly from their custodian or their transfer agent. In the case of certain clients CIM has undertaken to produce voting recommendations which must be submitted to the client for their consideration.

**Item 18. Financial Information**

This Item is not applicable.