



Item 1 – Cover page

Marathon-London

Orion House, 5 Upper St. Martin's Lane, London WC2H 9EA, UK

Tel: +44 (0) 20 7497 2211

Website: www.marathon.co.uk

23 August 2021

Form ADV Part 2A - Firm brochure

This brochure provides information about the qualifications and business practices of Marathon-London ("the firm"). If you have any questions about the contents of this brochure, please contact Zach Lauckhardt, Client Manager, email: zlauckhardt@marathon.co.uk.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

The firm is registered as an investment adviser with the Securities and Exchange Commission ("SEC") in the United States and is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about the firm also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material changes

Form ADV Part 2 requires investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated 30 April 2021, there has been the following material change made to this disclosure brochure:

On 23 August 2021, an internal reorganisation was completed to transfer all of Marathon-London's business from Marathon Asset Management LLP (a UK limited liability partnership) to Marathon Asset Management Limited (a UK limited company). The reorganisation did not involve or result in change of actual control or management within the meaning of Rule 202(a)(1)-1 under the Investment Advisers Act of 1940, as amended.

Pursuant to SEC Rules, 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' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Our brochure may be requested by contacting Zach Lauckhardt, Client Manager, email: zlauckhardt@marathon.co.uk. Our brochure is also available on our web site: www.marathon.co.uk, also free of charge.

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Item 4 – Advisory business

Marathon-London is the name used by Marathon Asset Management Limited (the “firm”) in North America. The firm’s two active founding shareholders are William Arah and Neil Ostrer.

The firm has provided discretionary investment management services to institutional clients worldwide since 1986. The firm has discretionary authority over clients' assets and implements investment decisions and strategies by placing orders for the purchase and sale of investments. These investments are primarily listed equity securities. The firm offers regional, international and global equities management. New clients are usually directed to invest in pooled funds where the assets of several investors are commingled.

The firm’s asset management services are available to institutional investors seeking an experienced investment manager. The firm does not consider the clients’ broader investment objectives, risk tolerance or overall financial condition, tax or liquidity needs, although a client may place restrictions (e.g., ethical constraints) upon the types of securities or specific securities to be purchased, sold or held where their assets are being managed in a segregated account. Where applicable, these restrictions must be in writing and accompany the relevant investment advisory agreement.

As of 31 March 2021, the firm managed c\$57bn of client assets on a fully discretionary basis. The firm does not currently manage any assets on a non-discretionary basis.

Item 5 – Fees and compensation

The firm's fees for providing discretionary investment services vary and depend on a range of factors including the type of account or product, the asset class being managed, the location of the client and the investment management strategy employed. The firm generally offers two fee structures for clients: (i) an advisory fee based on a percentage of the market value of assets under management according to a fixed fee scale (otherwise known as a management fee); or (ii) a lower management fee plus an incentive fee based on whether the firm out-performs a relevant benchmark (otherwise known as a performance fee) in accordance with Rule 205-3 under the Investment Advisers Act of 1940. Whilst the firm expects all external US clients to be qualified purchasers, a standard fee model for a separately managed account is as follows:

- i) - 0.9% per annum ('pa') on the first US\$50 million of assets under management;
- 0.7% pa on the next US\$50 million; and
- 0.5% pa thereafter; or
- ii) a base management fee plus an incentive fee of 20% of the outperformance of the benchmark in accordance with Rule 205-3.

For certain products the firm only offers an incentive fee in accordance with Rule 205-3 (see further details in Item 6). Management fees are payable whether or not the account is profitable in a given billing period.

The firm can negotiate fees with clients and not all clients pay the same with fees being dependent on the client relationship; level of client service required; potential growth and/or the product involved (e.g. different rates are chargeable and negotiated for certain pooled funds or where the firm provides services to a separately managed account). The firm in its sole discretion can waive or reduce the advisory fees for directors, shareholders or employees of the firm or for other limited circumstances. All fund investors should carefully review the applicable fund's governing documents for more information regarding fees and charges.

The firm does not participate in wrap fee programs. Nor does the firm charge or receive compensation in connection with the sale of securities, pooled funds or other investment products.

General arrangements for payment of fees

Fees for separate account relationships are typically payable quarterly in arrears as of the close of business on the last valuation date in each calendar quarter. Upon termination, the management fee is calculated on a pro-rata basis for any partial quarter. Where performance fees are payable, these are invoiced in arrears on an annual basis.

Generally, management fees charged by the firm's pooled funds are automatically deducted from the investor's account within the fund on a monthly basis by redemption of units.

Management fees for separate accounts are pro-rated for each capital contribution and withdrawal made during the applicable calendar quarter with the exception of de minimis contributions and withdrawals (as either stipulated in a client investment agreement or with the firm's internal procedure, currently set at USD1,000,000). Accounts initiated or terminated during a calendar quarter are charged a pro-rated fee. The firm's standard agreement for separately managed accounts allows termination at any time by either party with thirty days' notice in writing to the other. These terms may vary from client to client. Upon termination of any account any earned, unpaid fees become due and payable.

Other fees that clients may incur

For both pooled funds and separate accounts, the firm's fees are exclusive of brokerage and other transaction costs incurred in buying and selling investments which will be borne by the client. Note the firm pays for research commissions – see Item 12 for further details. Please refer to the applicable pooled fund's governing documents for more information regarding any fees or potential charges related to funds (e.g. for how and when a fund may apply an anti-dilution levy).

The firm's separate account clients appoint their own custodians to hold their assets and to perform various associated services. The firm does not provide custody services. As such clients may incur certain charges imposed by their custodians and other third parties such as custodial fees, transaction charges, foreign exchange charges, and other fees and taxes on custody accounts and securities transactions that are outside the control of the firm. Such charges, fees and commissions are exclusive of and in addition to the firm's management fees, and the firm does not receive any portion of these taxes, fees, and costs.

In relation to the firm's US domiciled pooled funds, custody charges are ordinarily paid for by the firm out of its management fees (Note: the firm's emerging market pooled funds pay these charges directly).

These funds will, however, incur audit fees, and certain other out of pocket expenses as more fully described in the relevant fund's offering documents. Arrangements for additional costs in the firm's non-US domiciled funds may be different from those described in the preceding paragraph. In all cases, a detailed description is provided in the funds' offering documents.

Where cash balances are invested in money market funds by the fund administrators', these entities may also charge management fees and have other expenses that the client will bear. Item 12 further describes the factors that the firm considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation for trade execution and brokerage (e.g., commissions).

Item 6 – Performance-based fees and side-by-side management

The firm may charge performance fees, where this option is selected at the client's discretion, on certain client accounts which are managed on a side-by-side basis with clients who are not charged a performance-based fee. Performance fees are outlined in the applicable fund's offering documents (unless subject to individual negotiation). The firm will structure any performance fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, the firm includes realised and unrealised capital gains and losses. As a result, clients may pay fees on gains that may remain unrealised.

Performance-based fee arrangements may create an incentive to make investment decisions which may be riskier or more speculative than those which would be made under a different fee arrangement. Such fee arrangements also create an incentive to favour higher fee-paying accounts over other accounts in the allocation of investment opportunities. Separately, whilst investment opportunities are in practice allocated totally independently of fee arrangements, if a Portfolio Manager identifies a limited investment opportunity that may be suitable for more than one client, a fund or account may not be able to take full advantage of that opportunity. There may also be circumstances when a Portfolio Manager has an incentive to devote more time or resources to, or to implement different ideas in, one portfolio over another; or where a Portfolio Manager seeks to execute a transaction for one portfolio that may adversely impact a different Portfolio Manager's strategy.

The firm recognises these issues could arise in its multi counsellor model so has implemented a range of policies and procedures designed to both identify and resolve actual and potential conflicts of interest; whilst seeking to ensure all clients are treated fairly. Such procedures include ensuring a fair allocation of trades and investment opportunities, be they buy or sell decisions or participation in placings or other corporate activity. Central to this approach is all clients with the same investment objectives are invested fairly (as far as possible and subject to any self-imposed constraints) in the same portfolio of investments, with performance outliers that are monitored to identify any favoritism. These procedures are subject to regular Compliance oversight.

Item 7 – Types of clients

The firm provides discretionary investment management services to corporate pension and profit sharing plans, charitable institutions, foundations, educational institutions, endowments, state and government entities including sovereign funds, registered mutual funds, pooled investment vehicles such as non-US funds including undertakings for collective investment in transferable securities, alternative investment funds plus other institutional investors and corporations. The minimum initial investment into the firm's pooled funds is \$10 million and over \$100m into a separately managed account.

Item 8 – Methods of analysis, investment strategies and risk of loss

a) Methods of analysis and investment strategies

The firm's investment objective for client portfolios is to exceed the performance of a defined benchmark, typically a representative index of the countries where it invests.

At the heart of the firm's investment philosophy is the "capital cycle" approach to investment. The capital cycle approach is based on the idea that the prospect of high returns will attract excessive capital (and hence competition) into industries, and vice versa. In addition, an assessment of how company management responds to the forces of the capital cycle and how they are incentivised are critical to the investment decision.

The firm's investment philosophy guides a focused team of individually accountable portfolio managers who apply the capital cycle approach to seek investment opportunities across the market. Given the contrarian and long-term nature of the capital cycle, the philosophy often results in portfolios that differ from the benchmark, and average holding periods of five years or more for the securities in the portfolio.

The firm believes that investment risk (defined as the price paid for an individual security in relation to its intrinsic value) is much more important than its inclusion and weighting in the benchmark. To this extent, valuation levels of individual securities are carefully examined before a purchase decision is made.

The firm's portfolios are very well diversified in terms of geography, sector and most importantly, individual stock risk - the last of these due to the larger than peer average number of individual holdings.

The portfolio managers periodically review the major "active" portfolio positions (i.e., the weighting of the portfolio relative to the weighting in the benchmark in terms of country, sector, size and other factors). Given the long term holding period and resulting slow change to portfolio composition, any significant change in portfolio weighting is identified as it develops.

The firm's small, centralised and non-hierarchical structure facilitates open and frequent communication. Each portfolio manager makes their own independent investment decisions which are then combined into the strategy's overall portfolio. The typical asset allocation stance is to be region neutral and is monitored by the Risk Committee. Any major changes to asset allocation strategy are set by the Executive Committee.

b) Strategy risks

A number of material risks are associated with investing in publicly traded securities. These include, but are not limited to, the below matters. Further information on investment risk is disclosed in the relevant offering memorandum, prospectus or separate account investment management agreements:

Counterparty/credit risk – Securities trading is subject to the risk that the brokers and counterparties with which, and the exchanges on which, the trades are executed may default. Failure of a counterparty could result in: the default of the underlying contract; either significant delay in obtaining recovery, or the total loss, of assets held by or which have been transferred to the relevant third party; and/or the potential risk of facing material losses from having to implement remedial steps.

Illiquidity risk - The purchase of units in a fund will not be suitable for investors desiring or requiring investment liquidity. Units in a fund are redeemable only at stated times and the fund Board or Trustee has the right to modify the manner in which units may be redeemed, including the right to suspend redemptions in certain circumstances as stipulated in the relevant offering documents.

Funds may also have the right in certain circumstances to liquidate an investor's interest. Fund units may not be transferred and no public trading market in the fund units will develop.

Separately, the firm may purchase investment instruments that later become illiquid, or otherwise face restrictions, and such positions may attract unfavourable prices. Suspension of a security traded on a public exchange could render it difficult or impossible for the firm to liquidate any or all of a position held thereby exposing investors to losses.

Market risk - The firm invests on a global basis in developed, emerging and frontier markets. Clients and fund investors are therefore subject to: (i) currency exchange-rate risk; (ii) the possible imposition by foreign governments of withholding, income, capital gains or excise taxes; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and little or potentially biased government supervision and regulation; (iv) financial, economic and political risks, including expropriation, currency exchange control and potential restrictions on foreign investment, security transfer and repatriation of capital; (v) the volatility of exchanges due to smaller market capitalisation; (vi) evolving clearance and settlement procedures; and (vii) the risk of local and global market turmoil from a force majeure event such as the Covid-19 pandemic in 2020. In such instances, financial markets may experience extreme volatility and trading in many instruments or markets can be disrupted. A pandemic can lead some sectors of the economy and individual issuers, including those in which the firm invests, to experience particularly large losses.

Investments may be subject to broad market movements and there is no guarantee that an investment approach, technique, or strategy used by the firm will be successful or profitable. Investing in securities involves risk of loss that clients should be prepared to bear. All investments risk the loss of capital. The market value of underlying securities may go up or down in response to the prospects of individual companies, alongside wider industry or sector issues and in response to general economic or political conditions. A failure to predict market movements accurately could adversely affect the ability to execute trades at desired prices.

Likewise, certain market conditions, including unexpected volatility or illiquidity in a market could impair implementation of an investment strategy, achievement of investment objectives, and/or result in negative performance.

These factors and risks, alongside any potential impact, may be accentuated when trading in emerging and frontier markets instead of more established jurisdictions.

Price fluctuations - Prices of invested securities can be highly volatile. Price movements of assets are influenced by a range of factors that affect markets in general, as well as factors that affect particular companies or other issuers.

For example, prices are affected by a wide variety of complex and difficult-to-predict factors, including, but not limited to, general economic conditions; the state of financial markets; inflationary pressures and interest rates; developments or trends in a particular industry or sector; the financial condition of an issuer; the availability of natural resources; changing supply and demand relationships; and the programs and policies of governments alongside national and international political events and policies. These same factors can affect the securities markets adversely. Price of securities also may be affected by individual company earnings, product developments and other factors that affect particular companies.

Operational risk - The risk of loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures or a cyber-attack.

Operating events - Trade errors and other operational mistakes may occur in connection with the management of a pooled fund or segregated client account and the firm has policies and procedures to identify and where appropriate remediate such events, consistent with applicable standards of care and in accordance with any agreed client documentation.

In general, any compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to materiality, related transactions and/or other factors the firm considers relevant. Compensation generally will not include any amounts or measures that the firm determines are speculative or uncertain.

Please note that while this Item 8 contains a discussion of some of the risks associated with investments in our funds, it does not necessarily include all the risks associated with investing. Indeed, particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held. Separately, other external risks could potentially materialise in the form of local, industry-wide, or global force majeure events that could have a severe impact on the firm's ability to operate and/or a material impact on the underlying investments made on behalf of the firm's clients.

Prior to making an investment, potential investors are advised to carefully review each fund's offering memorandum, prospectus or separate account investment management agreement for a detailed discussion of the specific risk factors associated with a particular fund or investment strategy. The accounts managed by the firm are generally not intended to provide a complete investment program for a client or investor. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

Securities held or formerly by the firm's pooled funds or within segregated accounts may also give rise to legal proceedings including shareholder actions against an issuer. This can take various forms, such as "opt in" shareholder group actions, which can be complex, involving multiple parties and/or cases with the possibility of having to provide documents and witness statements. Active participation could involve disclosure of confidential or proprietary information alongside a potential financial obligation to pay costs. Notwithstanding these issues, the firm is not an expert nor does it give advice regarding such matters. Unless otherwise arranged pursuant to an agreement with a client, the firm is not obligated to initiate or monitor for such actions and is not obligated to take any action thereon for clients. Clients should first discuss potential cases with the firm before obligating themselves or the firm to provide discovery documentation. If the firm receives a class action notification or "opt in" shareholder group action that it may consider joining, it will forward such materials if the client has instructed it to do so.

Item 9 – Disciplinary information

At this time there are no material legal, regulatory or disciplinary events directly affecting the firm or its management that would be material to an evaluation of the firm or the integrity of the firm's management.

Item 10 – Other financial industry activities and affiliations

The following entities are affiliates of the firm as they are under common ownership.

- Marathon Asset Management (Ireland) Ltd is an Irish management company for two umbrella pooled funds arranged as Undertakings for the Collective Investment in Transferable Securities ('UCITS'), alongside an investment manager for EU segregated account clients; investment advisory services for these entities and their sub-funds being fully delegated to the firm.
- Marathon Asset Management (Cayman) Ltd is a general partner to two limited partnerships established in the Cayman Islands; in each case Marathon Asset Management (Cayman) Ltd has appointed the firm as the investment manager to the partnerships which offer different opportunity sets to the firm's traditional long-only business.

Item 11 – Code of Ethics, participation or interest in client transactions and personal trading

The firm has adopted a Code of Ethics that applies to all personnel of the firm and Marathon Asset Management (Ireland) Limited (a separate abridged version of this code applies to non-executive directors, including those of affiliates outlined in item 10 above) describing the high standard of business conduct expected of them and their fiduciary duty to its clients. The Code of Ethics includes provisions relating to conflicts of interest; personal securities trading; reporting of violations; confidentiality of client information and record keeping; guidance to prevent market abuse and insider trading; anti-bribery controls including the acceptance of significant gifts and the reporting of certain gifts and business entertainment items; and appointment to other Boards. All personnel at the firm must acknowledge and confirm compliance with the terms of the Code of Ethics prior to employment and thereafter on an annual basis (minimum), or when material changes are made to this document.

It is the firm's policy not to effect any principal transactions with client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

In appropriate circumstances, where consistent with the investment objectives of the client, or clients involved, the firm effects the purchase or sale for client accounts of securities in which other client accounts or its personnel, directly or indirectly have a position or interest.

The firm's written procedures require that the interests of the client take priority in any situation where securities to be purchased or sold for clients are also purchased, sold or held for the account of its personnel, so that transactions for the account of its personnel are forbidden until completion of the client's transaction, all as set forth in the Code of Ethics. The key elements of the Code of Ethics are as follows:

a) Conflicts of interest

The firm expects all its personnel to exercise the highest standards of integrity and conduct in their business dealings. All personnel must avoid any activity or personal interest that creates or appears to create a conflict between personal interests and the interests of the firm's clients.

The firm is committed to increasing awareness of conflicts of interest amongst all its personnel and maintains a Conflicts Matrix. Personnel can report actual or potential conflicts through the GRC (Governance, Risk and Compliance) system in place at the firm.

The Conflicts Matrix which includes actual and potential conflicts which have been identified in the management of the firm, alongside arrangements which have been put in place to facilitate early detection and the management, mitigation and prevention of any conflicts from having adverse impact. Examples of potential conflicts of interest for the firm or its associated parties (including members, directors and/or employees) are set out in this brochure but include in particular:

- i) the firm acts as investment manager for and engages in regulated activities for other clients potentially on different terms. Likewise, where permitted, the firm may act as agent for and on behalf of a client in relation to transactions in which it is also acting as agent for the account of other clients;
- ii) the firm may, in accordance with applicable regulatory requirements, aggregate and allocate transactions effected for clients with those of other clients (in whom the firm or an associated party may have a significant interest). The effect of aggregation and allocation may work on some occasions to a client's advantage and sometimes to their disadvantage. Certain accounts (in which the firm or its associated parties could have a beneficial interest) may receive different initial allocations to placing events but only where these accounts have a different investment mandate. Should the firm not receive a full allocation all subsequent allocations will be on a strict pro-rata basis; and

- iii) the firm may effect transactions in which it, or its associated parties, has directly or indirectly, a material interest or a relationship with another party, which may give rise to a potential conflict. In particular where, in such circumstances, the firm or its associated parties obtains a benefit from or by reason of such transactions. Neither the firm nor its associates will be liable to account to clients for any such benefit, nor will the firm's fees (unless otherwise agreed) be abated.

Where the firm is not able to prevent or manage conflicts of interest from adversely affecting the interests of clients, it will disclose the general nature and/or sources of such conflicts of interest, so that those impacted are able to make an informed decision about whether to continue to do business with the firm. Conflicts of interest are addressed through the operation of policies designed to ensure fair treatment of clients; which are themselves subject to ongoing compliance monitoring arrangements to check these mitigating controls are working effectively.

b) Personal securities trading

The key elements of the personal account dealing procedures are that pre-approval is required for securities transactions and approval is not ordinarily granted where similar client transactions are anticipated in the near future. Post-trade reviews of all trades are also undertaken as part of the compliance monitoring programme. In addition, confirmation of quarterly transactions reports and annual holdings statements must be provided to the firm's compliance team.

c) Reporting violations

The firm operates a whistle blowing policy whereby employees are encouraged to report if they become aware of any violations of the Code of Ethics or any other company policy.

d) Confidentiality

All employees are prohibited from divulging the current portfolio positions, current and anticipated portfolio transactions of any managed account, or any information about any aspect of the firm's business or clients to anyone unless it is properly within his or her duties to do so.

e) Insider dealing and market abuse

All personnel are prohibited from engaging in any personal transaction, for their own benefit or the benefit of others, including managed accounts, while in possession of material non-public information. This prohibition applies also to advising or procuring any other person to enter into a transaction, or to disclosing any information or opinion likely to lead to another person entering into such a transaction or to advising or procuring another person to do so. Post-trade reviews of client and personal trades are undertaken as part of compliance monitoring activities to ensure procedures are followed.

f) Gifts, entertaining and political contributions

Subject to certain exceptions, no individual at the firm may offer or accept gifts or benefits in any form to or from third parties if such gift or benefit arises as a result of that third party's association with the firm and where it is not in compliance with applicable UK and US regulatory requirements concerning inducements.

All gifts and benefits are declared to the firm's compliance team in accordance with the firm's gifts and entertainment policy which also includes the firm's procedures for staff making and declaring political contributions. Compliance with the firm's policy is reviewed as part of compliance monitoring activities.

g) Appointment to other boards

No individual at the firm shall serve on the board of directors of any company without prior authorisation from the firm. Any such authorisation shall be based upon a determination that the appointment would be consistent with the interests of the firm.

The firm has three independent members appointed to its Executive Committee who are not employees of the firm. This restriction does not apply to these individuals although other appointments are declared to the firm for its consideration.

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Zach Lauckhardt, Client Manager, email: zlauckhardt@marathon.co.uk. The Code of Ethics is also available on the client section of Marathon-London's website.

Item 12 – Brokerage practices

A. Selection of broker-dealers

The firm has authority to determine which securities will be purchased or sold, and the terms upon which such transactions are to be effected, including the commission to be paid. The choice of dealing venue and method is largely determined by the availability of liquidity. The firm utilises a central dealing desk, part of whose responsibility is an ongoing consideration of trading methods and execution venues, etc.

The firm is required to adhere to the rules of the Financial Conduct Authority in the UK. These rules require the firm to maintain an order execution policy. Each segregated account client is required to consent to the policy prior to the commencement of any investment activities.

The firm's primary objective in selecting a broker for any transaction or series of transactions is obtaining the best combination of execution price, efficiency of execution and access to liquidity. The firm considers, among other factors, the nature of the security being traded, the broker's program trading and block positioning capabilities, the activity existing and expected in the market for a particular security, the execution, clearance, settlement and error resolution capabilities of the broker or dealer selected in comparison to the others that are considered, and the broker's financial strength and stability.

The firm operates an approved broker list which includes all brokers considered to provide good brokerage services in the stocks and markets in which the firm is active. Broker's credit ratings are monitored by the firm although the firm always trades on a delivery versus payment basis so the default risk is reduced. Satisfactory terms of business including confirmation of its legal and regulatory status, the ability to confirm trades electronically and the provision of best execution are the minimum threshold criteria before any new broker is engaged. Interaction with broker-dealers is considered quarterly by a counterparty committee drawn from operational, trading and compliance teams.

The firm uses the services of third parties to analyse trading costs. This analysis provides information on both the explicit costs of trading and implicit costs such as market impact. This information is actively used in the process of selecting brokers and considering trading strategies.

a) Research and other soft dollar considerations

The firm uses execution-only commission rates to compensate brokers for equity trading. The firm has assumed full responsibility out of its own financial resources for payment of non-execution services from brokers since January 2019. The receipt of such services does not factor in the selection of brokers.

b) Brokerage for client referrals

The firm does not receive client referrals from broker-dealers.

c) Directed brokerage

The firm does not permit clients to direct the firm to place orders for their account through a specified broker. In very limited circumstances, certain segregated account clients may require the firm to place restrictions on their transactions to be effected only with Japanese onshore brokers or separately to trade currency with their own account custodian.

B. Aggregation and allocation

The firm usually aggregates sale and purchase orders for securities held or to be held by client accounts with similar orders being made simultaneously for other accounts if, in the firm's judgement, such aggregation is reasonably likely to result in an overall economic benefit to all of the accounts involved. Such judgement is based on an evaluation that such accounts are benefited by relatively better purchase and sale prices, lower expenses, beneficial timing or a combination of these and other factors. It is, however, possible that aggregation will not benefit all accounts on every single trade.

The firm attempts to ensure that client portfolios with the same objectives are invested in the same manner and that all clients receive the same investment opportunities. Where the firm makes an aggregated order, a record of the intended basis of allocation is made across participating clients' accounts prior to placing the order. When an aggregated order is filled in its entirety, each participating client account will participate at the average share price for the aggregated order and transaction costs shall be shared pro rata based on each client's participation in the aggregated order. Partly filled orders are allocated either on a pro-rata basis or in accordance with a random sequence generated by the firm's order management system.

The random process is used for small part fills where adopting a pro-rata approach would lead to an uneconomic trade size for one or more clients. These procedures are designed to operate in a manner which does not systematically discriminate in favour of certain clients or types of clients. On a regular basis, the firm reviews the allocation of trades to ensure that they have been allocated in accordance with this policy.

Where circumstances change prior to an order being completed, the outstanding order may be revised to reflect the new circumstances. This would include terminated accounts, changes in relative account sizes and new clients. As a matter of policy, new accounts are permitted to be filled to the same level as existing clients.

Aggregated orders are often worked over the course of a day in a series of smaller transactions where the final allocation instruction is not made until the completion of the order. In all such cases, the ultimate allocation is made at the weighted average price for each participating client account. Allocation quantities are made in accordance with the documented intended allocation for that transaction, and the firm's written allocation procedures. Compliance monitoring activities include review of trades for compliance with the firm's aggregation and allocation policy.

In the normal course of offering investment advisory services to a variety of different clients, the firm sometimes takes action in the performance of its duties with respect to one client which may differ from the action taken in respect of other clients. Further, in appropriate circumstances, and where consistent with clients' investment objectives, the firm sometimes effects the purchase and sale of securities between client accounts. In most cases, transactions are effected on the open market using the agency of a broker, and are for the mutual benefit of each client involved.

Furthermore, certain clients may gain equity exposure in the same company via different instruments e.g. depositary receipts vs the primary equity line. This may arise either due to a client led restriction or in response to other business or market led factors. Nevertheless, in such circumstances the different instruments are subject to the same allocations and aggregation checks as applicable for all other instrument types; coding within the firm's order management system restricting the purchase of ineligible investments.

Finally, as the firm's investment approach incorporates a multi-counsellor model for each product, this could see different portfolio managers express different views on securities including those held within their individual model portfolios. This could potentially lead to buying or selling at different times, in different securities classes, in different amounts or in opposite directions for the same overall fund or separately managed client account.

Item 13 – Review of accounts

The firm periodically reviews client accounts and provides reports to clients regarding their accounts.

a) Reviews

All accounts are subject to regular periodic reviews. The frequency, depth, and nature of reviews will be determined either by negotiation with individual clients or as stipulated in the terms of the relevant pooled fund offering documents.

The level of review may encompass the entire regional mandate, a particular client account or a specific transaction or investment. Additional reviews may be triggered by changes in the investment objectives or guidelines, changes in market conditions or via a specific client request.

Reviews are typically conducted by portfolio managers with support from Client Service personnel. Reviews include a summary of relevant market conditions that have affected the accounts since the last reporting period and that may affect the accounts in the future. General reviews of accounts can include consideration of investment objectives, types of portfolio securities owned, investment process and performance.

b) Reports

Written reports detailing recent and longer term performance, any significant changes such as purchases and/or sales and the rationale behind the current portfolio positioning, are sent to clients on a quarterly calendar basis.

Item 14 – Client referrals and other compensation

The firm does not compensate any third party for referrals of U.S. clients; practices may vary in other jurisdictions in compliance with local legal and regulatory requirements. The firm engages an external firm in Australia under a non-exclusive arrangement, to solicit institutional clients on its behalf. Separately, a representative agent in South Africa has been engaged to facilitate interaction with prospects in these countries in compliance with the applicable local regulatory regime.

The firm does not receive any economic benefit from third parties for providing investment services to clients.

Item 15 – Custody

Investments and cash are held by third-party custodians. For all separate accounts and pooled funds, with the exception of the Cayman Island pooled funds, the firm does not have custody of client accounts at any time.

Clients' securities and other assets will be held with a bank, broker-dealer, or other independent, qualified custodian. Clients will receive account statements from the independent, qualified custodian(s) holding their funds and securities at least quarterly, which should be carefully reviewed for accuracy.

By virtue of the fact that Marathon Asset Management (Cayman) Ltd, a non-US advisory affiliate of the firm, serves as general partner of the Cayman Island pooled funds, the firm may be deemed to have custody of accounts held for the Cayman Island pooled funds only. Audited financial statements are sent to investors within 120 days of the funds' fiscal year ends.

Item 16 – Investment discretion

Where the firm manages client assets in a separate account, the firm and the client enter into an investment management agreement authorising the firm to select the type and amount of securities to be bought or sold on behalf of the client without obtaining the prior consent or approval from the clients.

In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account and taking account of any restrictions or limitations specified by the client in the underlying investment advisory agreement.

In relation to its pooled funds, the firm's discretionary investment authority is established within the fund's trust deed or equivalent constitutional documents.

Item 17 – Voting client securities

The firm considers that the ability to influence management is an integral part of the investment management function. The firm strongly adheres to the policy that good corporate governance is totally consistent with enhancing shareholder value.

Where voting authority has been delegated to the firm, its policy is to exercise voting rights independently wherever it is practical to do so.

In order to facilitate the proxy voting process, Marathon has retained Institutional Shareholder Services (“ISS”) as an expert in the proxy voting and corporate governance area. ISS is an independent proxy advisor firm who specialise in providing a variety of fiduciary-level proxy advisory and voting services.

ISS also assists the firm by developing and updating their own set of proxy voting guidelines. They provide research and analysis on stocks within all of Marathon’s portfolios. They vote the ballots through their online portal and will give recommendations based on each agenda item compiled by their analysts in each region.

Marathon does not automatically accept the pre-populated responses input by ISS, nor does it automatically submit the clients’ votes. Instead all proxy events and supporting documentation (including internal research) are reviewed by the relevant portfolio manager(s) (“PM”)/analyst(s). Each PM has the option to accept the ISS recommendation, or to vote against the rationale provided by ISS. In these cases, a written explanation on the reasons to vote against the recommendation will be retained. This will include any new information filed by an issuer that may impact their decision. If it becomes apparent that new information is about to be filed by an issuer that could have a significant bearing on the proxy voting decision, the team responsible for submitting Marathon’s response would be asked to reach out to the relevant custodian to discuss delaying submission.

Written confirmation of the portfolio managers’ decision with regards to a proxy voting matters is received by the team responsible for filing all proxies, prior to submission via the ISS platform. In extremis, if matters materially altered as a result of information released by the issuer and Marathon had already filed, the relevant team would look to re-submit, talking to custodians as needed.

Where possible, all agenda items will be voted on a case by case basis with no pre-defined policy on how to vote certain events with PMs following any pre-defined client instructions accordingly. Marathon may engage with clients where voting authority has been retained by the client on individual proxies. Separately, on any contentious issue Marathon may also look to contact clients to ensure their respective custodian recalls and restrict any stock on loan to enable all share to be voted.

The proxy voting process is undertaken with no consideration paid as to whether the company involved is a client or an associated entity of a client. Likewise, the firm does not offer clients the ability to direct how voting should take place where discretion has been contractually agreed to rest with the firm. However, certain clients can agree to retain the ability to vote their shares; as such the firm is not involved in the client's underlying voting process.

Occasions may arise during the voting process where a potential conflict of interest could arise. Such conflicts could include: (i) where portfolio managers have opposing views in connection with voting shares of a company they are both invested in; (ii) where Marathon has a separate material relationship with, or is soliciting business from, a company lobbying for proxies; or (iii) where a personal relationship exists, such as where a friend or relation is serving as a director of a company soliciting proxies. A conflict could also exist if a material business relationship exists with a proponent or opponent of a particular initiative. Where Marathon identifies a material conflict of interest, the team involved will raise the matter with Compliance. Such reporting will include full details of the issue including why the conflict is deemed material with confirmation how the proxy vote is to be undertaken in the best interests of all clients thereby helping to mitigate any conflict identified. Furthermore, the firm's leadership has published a Sustainability Charter, which encompasses the firm's approach to investing, engagement and proxy voting; whereby sustainability is considered in the context of adding value for clients over the long-term.

A copy of the firm's Proxy Voting policy is available on the firm's website. Aggregated proxy voting records for the most recent quarter can be found within the Stewardship page of the firm's website. A Proxy Voting Dashboard is available on Marathon's website showing our vote history with a 180-day lag. Clients may also obtain information from the firm about proxy voting on behalf of their accounts by requesting such information from Zach Lauckhardt, Client Manager, email: zlauckhardt@marathon.co.uk.

Item 18 – Financial information

The firm does not collect fees for services in advance. The firm does not have any adverse financial situations that would reasonably impair the ability of the firm to meet all of its obligations to its clients. The firm has not been subject to a bankruptcy petition.