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**This Brochure provides information about the qualifications and business practices of Ward Ferry Management. If you have any questions about the content of this brochure, please contact us at (+852) 2581-2500 or [investor@wardferry.com](mailto:investor@wardferry.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Ward Ferry Management (BVI) Limited is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information with which you determine to hire or retain an adviser.**

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

**December 10, 2021**

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## ITEM 2 – MATERIAL CHANGES

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This Brochure dated **December 10, 2021** is a document prepared according to the SEC's requirements and rules. This Brochure contains updated information in Item 4 as a result of the change of control of the Adviser as set out in further detail in Schedule A and the Miscellaneous section of Part 1 of the Form ADV. Otherwise, this Brochure is not materially different from the Brochure dated on March 30, 2021. Investors and prospective investors are encouraged to read the Brochure in detail and contact us with any questions.

You may request our Brochure by contacting the Investor Relations team at (+852) 2581-2500 or [investor@wardferry.com](mailto:investor@wardferry.com).

Additional information about Ward Ferry Management (BVI) Limited is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Ward Ferry Management (BVI) Limited who are registered, or are required to be registered, as an investment adviser representative of Ward Ferry Management (BVI) Limited.

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## **ITEM 4 – ADVISORY BUSINESS**

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### **Adviser's Advisory Business**

Ward Ferry Management (BVI) Limited (the “Adviser”), a corporation organized in the British Virgin Islands, acts as the investment manager to one or more private investment companies. The Adviser was established in 2000. The Adviser has a wholly owned Hong Kong subsidiary, Ward Ferry Management Limited (“Ward Ferry HK”), a wholly owned United Kingdom subsidiary, Ward Ferry Management (UK) Limited (“Ward Ferry UK”), and a wholly owned Singaporean subsidiary, Ward Ferry Management (SG) Pte. Ltd. (“Ward Ferry SG”) (collectively the “Ward Ferry Group”). Ward Ferry HK provides investment advisory services to the Adviser. Ward Ferry UK provides marketing and investor relations services to the Adviser. Ward Ferry SG is in the set-up phase and is not currently operational. Fee arrangements within the Ward Ferry Group are governed by respective agreements between the companies.

The Adviser is primarily controlled by Vineet Mitera and Daphne R. Chester.

### **Types of Advisory Services offered by the Adviser**

The Adviser provides investment advisory services, including discretionary management and monitoring of investments, to the Adviser's clients through the management of investment portfolios in accordance with the objectives and guidelines of the private investment companies as stated in each private placing memorandum. The Adviser is the investment manager for WF Asian Smaller Companies Fund Limited and WF Asian Reconnaissance Fund Limited (the “Funds”). Interests in the Funds are not registered securities under the Securities Act of 1933, as amended. In addition, the Funds are not registered as investment companies under the Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions.

### **Investment Restrictions**

At the present time, the Adviser does not tailor its advisory services to the individual needs of investors. The Funds impose restrictions on their management as stated in the private placing memorandum of the Funds and other restrictions that are customary in the ordinary course of business. Restrictions stated in the private placing memorandum of one Fund may differ from the restrictions stated in another Fund, and the performance of Funds may differ.

### **Wrap Fee Programs**

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

### **Assets Under Management**

As of December 31, 2020, the Adviser had net assets under management of approximately US\$4.2 billion (December 31 2019: US\$2.4 billion), all of which was managed on a discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

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### **The Adviser's Basic Fee Schedule**

The specific manner in which fees are charged by the Adviser is established in an investment management agreement between the respective Fund and the Adviser. Generally and pursuant to the contract, fees for the management of private investment companies, such as the Funds, will be based upon a percentage of the total assets in the account. Currently, the Adviser receives management fees in an amount up to one percent (1.0%) per annum of the net asset value of the relevant Funds. Such management fees are accrued daily and calculated on the basis of the net asset value of the relevant Fund as of certain valuation dates and payable in arrears after month end as specified in the private placing memorandum of the relevant Fund. No management fee is payable by the employee share class of the respective Fund.

One minor exception to the points stated above is for special investments, as defined in the WF Asian Reconnaissance Fund's private placing memorandum. Actual payment of the management fee with respect to special investment shares is subject to several considerations, such as cash availability and determined by the Adviser in its sole discretion. Management fees with respect to certain special investments may be waived by the Adviser in its sole discretion. Full details of the arrangement are mentioned in the private placing memorandum of the WF Asian Reconnaissance Fund.

The Adviser has sole discretion in rebating any portion of its management fee to any shareholder of the relevant Funds based on commercial considerations, including but not limited to, a large investment size.

Fund details, including other expenses and details of the investment strategies, are described in each Fund's private placing memorandum.

### **Calculation and Deduction of Fees**

The Adviser will be paid its management fee on a monthly basis in arrears by the fund administrator of the Funds, as specified in each Fund's private placing memorandum.

### **Other Fees and Expenses**

In addition to investment management fees and performance-based fees (as described in Item 6 below), investors in the Funds will indirectly bear any other costs charged to the Funds. Such costs will vary and typically include, though are not limited to, accounting, legal, fund administration, audit, directors and other related fees. Furthermore, the Adviser's fees exclude brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the Funds. The impact of mark-ups and mark-downs are also incurred by the Funds. The

Funds may incur certain charges imposed by custodians and brokers, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee, and the Adviser shall not receive any portion of these commissions, fees and costs. Please refer to the audited financial statements of the Funds for details.

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

### **Prepaid Fees**

The Adviser does not charge fees in advance.

### **Compensation for the Sale of Securities**

Neither the Adviser nor the Adviser's supervised persons accept compensation for the sale of securities or other investment products.

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

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The Adviser will generally receive a performance-based fee from each private investment fund, including the Funds that it advises and manages. The calculation of the performance-based fee is described in each Fund's private placing memorandum. Each performance-based fee is calculated at the end of each calendar year or upon redemption of the relevant shares part way through a year and is a percentage of the appreciation in the net asset value per share of the relevant series of shares issued by the relevant Fund. The Funds each have share classes that are not subject to a hurdle rate for their performance-based fees, and share classes that are subject to a hurdle rate for their performance-based fees.

For share classes that are not subject to a hurdle rate, the performance-based fee is 10% of the appreciation in the net asset value of the relevant series of the relevant Fund is calculated as the difference between the highest net asset value per share of that series (the "high watermark") as of the last valuation date in December in any preceding year after the allocation of any performance-based fee. Alternatively, if the relevant shares were issued during the course of the relevant year, the calculation would be the difference between the subscription price of the relevant shares when they were acquired and the net asset value per share of that series as of the last valuation date in December in the year in question or in the case of redemptions made during the course of such year as of the valuation date relating to the date on which the shares were redeemed.

For share classes that are subject to a hurdle rate, the performance-based fee is 20% of the positive difference between the net asset value per share of that series at the end of the calendar year and the net asset value per share of that series had it achieved a return equal to the

benchmark index set forth in the respective Fund's private placing memorandum. Note that a performance-based fee may still be assessed for share classes subject to a hurdle rate even if the net performance of the Fund is negative, so long as the share class outperforms the benchmark index.

No performance-based fee is payable by the employee share class of the respective Fund.

When managing the special investments of the WF Asian Reconnaissance Fund, the Adviser receives the performance fee upon a realization event as described in the Fund's private placing memorandum. The Performance Fee payable with respect to such special investment will be calculated at ten percent (10%) of the difference between the cost of the special investment and the value upon crystallization of the special investment on a realization event.

Currently, all of the Funds that the Adviser manages charge both a performance-based fee and a management fee. The investment objective, investment strategy, market capitalization focus and liquidity preference for each Fund may be materially different. Currently, the Adviser determines the allocation of investment opportunities to the most appropriate Fund based on such differences, and does not otherwise favor one Fund over another Fund. If in the future, the Adviser manages accounts that are not charged both a management fee and a performance-based fee, the performance-based fee arrangements under these circumstances may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. In such cases, the Adviser would have procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict of interest from influencing the allocation of investment opportunities among the Funds.

## **ITEM 7 – TYPES OF CLIENTS**

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The Adviser provides portfolio management services to the Funds. For purposes of this Brochure, the terms "client" and "account" are synonymous with the Funds.

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

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

The Adviser primarily adheres to a long-term investment approach while seeking to meet the investment objective of capital appreciation.

Under normal market conditions, the Funds will invest in a diversified portfolio of securities. Investments may also be made in various other derivative instruments, including but not limited to futures, options and swaps. The principal use of derivatives will be to hedge currency exposure and to gain access to markets and companies. The Fund may also invest cash in money market funds.

The Adviser uses a bottom-up primary research approach supplemented with third-party research to seek opportunities for capital appreciation. However, as discussed below, investing in securities and other investment products involves the potential risk of loss that investors should be prepared to bear.

### **Material Risks for Significant Investment Strategies**

While it is the intention of the Adviser to implement strategies which are designed to minimize potential losses, there can be no assurance that such strategies will be successful.

The market exposure level of each Fund may vary significantly over time, and any increase or decrease in market exposure level may cause significant loss of capital.

The risk associated with investing in small and mid-cap companies in the Asia Pacific markets is significantly high. Corporate governance issues are common in these markets and may cause significant or complete loss of capital.

Listed companies may be suspended from trading for various reasons. It may not be possible for positions to be closed when the stock is suspended from trading.

Even for listed securities, liquidity in the market may drop or vary significantly over a short period of time. Market impact cost may be material if a position is required to be liquidated in a short period of time. It may be difficult to properly price positions if there is no major market transaction for a prolonged period of time.

Tax may be imposed on security transactions in various forms and tax uncertainty in certain markets may result in a restatement of net asset value.

Market access products and derivatives may be used in some markets for getting exposure and these instruments typically involve additional counterparty risk. Voting rights are not available when market access products or derivatives are used.

It is possible that the Funds may lose a substantial portion or all of the assets in connection with investment decisions made by the Adviser.

There is no guarantee that in any time period, particularly in the short-term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by the Adviser. Investors must also pay attention to risks discussed in the Funds' private placing memorandum.

### **Material Risks for Particular Types of Securities**

The Adviser does not provide a summary of material risks for any particular type of security. The material risks involved in the Adviser's general investment strategies are described above.

## **ITEM 9 – DISCIPLINARY INFORMATION**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. At this time, the Adviser has no information to disclose that is applicable to Item 9.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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### **Broker-Dealer Registration**

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

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

The Adviser is exempt from registration as a commodity pool operator and commodity trading adviser based on the de minimis level of commodity interests held by the Funds and the filing of exemption notices with the Commodity Futures Trading Commission and the National Futures Association.

### **Other Material Relationships**

Other than relationships within the Ward Ferry Group (of which there are no obvious conflicts of interest), the Adviser does not have any other relationships or arrangements that are material to the Adviser's advisory business or to its clients. The Adviser and any of its management persons do not have relationships with any of the following related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle; (iii) a futures commission merchant, commodity pool operator, or commodity trading advisor; (iv) a banking or thrift institution; (v) an accountant or accounting firm; (vi) a lawyer or law firm; (vii) an insurance company or agency; (viii) a pension consultant; (ix) a real estate broker or dealer; and (x) sponsor or syndicator of limited partnerships. Please also refer to the audited financial statements of the Funds for any disclosure on related party transactions.

### **Other Financial Industry Activities or Affiliations**

The Adviser generally does not recommend or select other investment advisers for investors. Other than the relationships within the Ward Ferry Group as disclosed above, the Adviser does not receive compensation directly or indirectly from other investment advisers and does not have business relationships with other investment advisers.

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

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### **Code of Ethics**

The Adviser has adopted a Code of Ethics (the “Code”) set forth in the Adviser’s Compliance Manual. The Code governs the investment in securities by personnel designated as access persons of the Adviser. The purpose of the Code is to assure that personal transactions do not conflict with client transactions and that in any situation where the potential for conflict exists, client interests take precedence. In essence, the Adviser has policies and procedures in place to control and restrict access persons from investing in Asia Pacific listed equities to avoid front-running.

Each access person must certify annually that he or she has read and understood the Code and recognizes that he or she is subject to the Code. In addition, each access person must certify annually that he or she has complied with the requirements of the Code and that he or she disclosed or reported all personal securities transactions required to be disclosed or reported pursuant to the requirements of the Code.

An excerpt of the Adviser’s staff personal dealing policy is available to investors upon request.

### **Participation or Interest in Client Transactions and Associated Conflicts of Interest**

The potential conflicts of interest involved in such transactions are governed by the Code, which requires that the Adviser and its employees place the interests of the Adviser’s clients above their own. The Adviser and its associates, officers and employees may invest some of their personal assets in the Funds. Such investments are not subject to paying the management fee and performance fee. The Adviser encourages these related parties to make investments in the Funds for the purpose of ensuring an alignment of interest with clients. The interests of the related parties in each Fund may vary significantly according to each related party’s risk tolerance level and liquidity preference. It is expected that the interests of the related parties may change over time due to changes in personal situations and investment considerations.

### **Investments in Securities by the Adviser and its Personnel**

The Adviser does not maintain proprietary investment or trading accounts. All of the Adviser’s personnel are subject to the Adviser’s policies and procedures regarding confidential or proprietary information, information barriers and personal trading. In addition, the Adviser has policies and procedures in place relating to certain personal securities transactions by the Adviser’s personnel, which the Adviser deems may involve potential conflicts of interest with client accounts managed by the Adviser. The results of the investment activities of the Adviser’s personnel’s investments for their own accounts may differ from the results achieved by or for client accounts managed by the Adviser. The potential conflicts of interest are discussed below.

### **Conflicts Associated with Investment Activities**

Transactions by one or more of the Adviser’s accounts may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of another account. For example, this may occur when portfolio decisions regarding a client’s account are based on research or other information that is also used to support portfolio decisions for other client

accounts. When the Adviser, on behalf of one or more client accounts, implements a portfolio decision or strategy ahead of, or contemporaneously with, similar portfolio decisions or strategies for another client's account (whether or not the portfolio decisions emanate from the same research analysis or other information), factors such as market impact and liquidity constraints could result in the client account receiving less favorable trading results. Additionally the costs of implementing such portfolio decisions or strategies could increase and the client account could otherwise be disadvantaged. The Adviser may, in certain cases, elect to implement internal policies and procedures designed to limit such consequences. Such action may cause a client's account to be unable to engage in certain activities, including purchasing or disposing of securities, when it might otherwise be desirable for the client's account to do so.

The Adviser may, but is not required to, aggregate purchase and sale orders for client accounts with the accounts of other clients. As some of the Adviser's personnel and their related parties are invested in the Funds, when orders are aggregated for execution, the Adviser's personnel will receive benefits from such transactions, but these benefits are in line with what other investors in the same Fund would receive.

The Funds may invest in different classes of securities of the same issuer. As a result, the Adviser may pursue or enforce rights with respect to a particular issuer in which one Fund has invested, and those activities may have an adverse effect on another Fund. As an example, although the Funds currently do not invest in debt securities, if one Fund were to hold debt securities of an issuer and another Fund were to hold equity securities of the same issuer, then if the issuer experiences financial or operational challenges, the Fund which holds the debt securities may seek a liquidation of the issuer, whereas the Fund which holds the equity securities may prefer a reorganization of the issuer. In addition, the Adviser may also, in certain circumstances, pursue or enforce rights with respect to a particular issuer jointly on behalf of one or more of the Funds, or may work together to pursue or enforce such rights.

Certain client accounts may be negatively impacted by the Adviser's activities. This may include activities and transactions effected at prices or terms that may be less favorable than would otherwise have been the case had the Adviser's clients' accounts not pursued a particular course of action with respect to the issuer of the securities. In certain instances, the Adviser's personnel may obtain non-public information about an issuer that is considered to be material and therefore may limit the ability of the Adviser to buy or sell securities of the issuer on behalf of clients' accounts.

Transactions undertaken by investors may also adversely impact one or more client accounts. Investors may have, as a result of receiving Fund reports or otherwise, access to information regarding the Adviser's transactions or views that may affect their transactions outside of accounts controlled by the Adviser, and such transactions may negatively impact other client accounts. A client's account may also be adversely affected by cash flows and market movements arising from purchase and sale transactions by, as well as increases of capital in and withdrawals of capital from, other client accounts. These effects may be more pronounced in less liquid markets.

The results of the investment activities of a client's account may differ significantly from the results achieved by the Adviser for other client accounts.

### **Trading Alongside by the Adviser and its Personnel**

Under the Adviser's policies and procedures, neither the Adviser nor its personnel would recommend securities to the Adviser's clients, such as the Funds, or buy or sell securities for its clients' accounts, at the same time that they would buy the same securities for their own accounts. We note that although the Adviser's policies permit the Adviser and its personnel and related parties to invest in the Funds, these investments are in alignment with the objectives of the Funds and would not be considered simultaneous trading transactions.

## **ITEM 12 – BROKERAGE PRACTICES**

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### **Broker-Dealer Selection**

The Adviser has full discretion to select brokers or dealers at which the transactions for clients are effected. It is the Adviser's policy to seek best execution at the best price available with respect to each transaction, in light of the overall quality of brokerage and research services provided to it or its clients. The best price means the best net price without regard to the mix between purchase or sale price and commissions. In selecting broker-dealers, and in negotiating commissions, the Adviser considers a variety of factors, including best price and execution, the full range of brokerage services provided by the broker, access to the senior management of investee companies that the broker may facilitate, access to placement of shares from time to time, access to research and investment conferences, expertise in local markets or specific sector knowledge, available liquidity in the position to be built or liquidated, capital strength and stability, and the quality of the research and associated services provided by the broker.

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

The Adviser will have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of the Funds. Although the Adviser will generally seek competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve

specialized services on the part of the broker or dealer involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

### **Research and Other Soft Dollar Benefits**

Consistent with obtaining best execution, brokerage commissions on transactions may be directed to brokers in recognition of research services or corporate access furnished by them, as well as for services rendered in the execution of orders by such brokers. The Adviser will rely upon the “bona fide research” safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended.

As a general matter, such research services and corporate access are used to service all of the Adviser’s clients. However, each and every research service or corporate access may not be used to service each and every client managed by the Adviser. Brokerage commissions paid by one account may apply towards payment for research services or corporate access that may not be used in the service of that account. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, Bloomberg subscriptions, portfolio management system subscriptions, general office equipment or premises, membership fees, employee salaries or direct money payments.

Certain research providers without their own brokerage executing arm may state in advance the amount of brokerage commissions they require for such research services. The Adviser may, in its discretion, have the client pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged. This may be done where the Adviser has determined in good faith that the commission is reasonable in relation to the value of the brokerage, corporate access and research services received. In reaching such a determination, the Adviser would not be required to place or attempt to place a specific dollar value on the brokerage, corporate access and research services provided by such broker. Commission sharing agreements may be in place to facilitate the reward of research providers for their provision of research services and the executing brokers for their execution services. Currently, the Adviser does not expect this practice to represent a material percentage of brokerage commissions on an annual basis.

When the Adviser uses its clients’ brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Adviser receives a benefit because it does not have to produce or pay for such research, products or services. The Adviser may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients’ interest in receiving the most favorable execution.

While the Adviser does not currently use soft dollars, if this soft dollar policy changes in the future, the Adviser generally would not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts would generate. Nonetheless, when allocating trades to clients, the Adviser must ensure that over time each client is treated fairly and equitably in the execution of transactions.

### **Brokerage for Client Referrals**

Except for capital introduction services that may be received from the prime broker or other brokers of the Funds, the Adviser generally does not consider, in selecting or recommending broker-dealers, whether the Adviser or a related person receives client referrals from a broker-dealer or third-party.

### **Directed Brokerage**

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

### **Aggregation of Trades**

The Adviser has a fiduciary duty to execute orders for clients fairly and equitably. The Adviser follows procedures pursuant to which it may, for clients who permit it, and to the extent that it is consistent with best execution, combine purchase or sale orders for the same security for multiple clients (sometimes called "bunching") so that the orders may be executed at the same time. The procedures followed by the Adviser may differ depending on the particular strategy, type of investment, or other circumstances. The Adviser is not required to bunch or aggregate orders if: (1) portfolio management decisions for different accounts are made separately; or (2) the Adviser determines that bunching or aggregating is not practicable (for example, when the account sizes are significantly different). The Adviser may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for accounts that are not aggregated. Where transactions for a client's account are not aggregated with other orders, it may not benefit from a better price or lower commission rate. Because of prevailing trading activity, it may not be possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs and when markets allow, the various prices may, in the Adviser's discretion, be averaged, and accounts may be charged or credited with the average price. The effect of such aggregation may be on some occasions to an account's disadvantage. It may not be practical to aggregate orders when account sizes are significantly different. The Adviser's ability to aggregate trades is constrained in markets which require foreign investor identification numbers to trade. Such situations may result in different prices for trades executed under different foreign investor identification numbers. Trades with different counterparties cannot be aggregated under normal circumstances.

## **ITEM 13 – REVIEW OF ACCOUNTS**

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### **Review of Accounts**

The Funds' risk management program is reviewed formally on a weekly basis. Reviews are designed to monitor the market exposure level, investment positions, country and sector weightings, portfolio liquidity, etc. Generally, these reviews are performed at the risk meeting attended by, among others, the Chief Investment Officer, President, Principals, Chief Operating Officer, Chief Compliance Officer, Chief Financial Officer and Trader of the Adviser.

## **Factors Triggering a Review**

The Adviser also performs reviews of the Funds as appropriate based on, among other things, major changes in market conditions, rebalancing needs driven by subscriptions or redemptions, profits or losses relating to some positions or the overall portfolios, or other events.

## **Investor Reports**

The Adviser prepares and provides to investors written newsletters on a quarterly basis to report Fund data and performance. These newsletters generally include, among other things, a summary of major developments in key positions, top positions, country and sector exposure and attribution, the net asset size and performance return of the Fund during the reporting period.

## **ITEM 14 – INVESTOR REFERRALS AND OTHER COMPENSATION**

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### **Other Compensation**

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

### **Compensation for Investor Referrals**

No person who is not a supervised person of the Adviser has been directly paid compensation for investor referrals.

## **ITEM 15 – CUSTODY**

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The Funds have their own fund administrator, prime broker and custodians which are independent of the Adviser. Investors in the Funds receive a monthly statement from the fund administrator. The Adviser recommends investors review the statements and compare the official records to the reports that the Adviser may provide to investors. However, the Adviser's reports may vary from official records due to the use of different accounting procedures, cut off times, exchange rates or valuation methodologies of certain securities, or a different basis of providing for tax liabilities, etc. Additionally, due to the use of series accounting by the Funds, the Adviser's reports reference data for the master series only and investors may be invested in other series other than the master series.

## **ITEM 16 – INVESTMENT DISCRETION**

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

Investment guidelines and restrictions must be provided to the Adviser in writing. When selecting securities and determining amounts, the Adviser observes the investment guidelines,

limitations and restrictions of the clients for which it advises. However, due to market movements and redemptions, passive breaches of limits and restrictions may occur and may take time for the Adviser to remedy.

## **ITEM 17 – VOTING CLIENT SECURITIES**

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### **Proxy Voting Policies**

The Adviser invests in securities issued by both public and private issuers on behalf of the Funds. In relation to these investments, the Adviser has the authority to vote proxies on behalf of the Funds. The Adviser has adopted and implemented written policies and procedures reasonably designed to ensure that it votes proxies in the best interest of the Funds. Proxy voting decisions are the responsibility of the investment professionals and are made in accordance with the Adviser's proxy voting policies and procedures.

Where the Adviser votes proxies on behalf of the Funds, the Adviser will determine to vote a proxy depending on, among other things, the expected benefit of the vote to the Fund and the subject of the proxy. The Adviser will not be able to determine the best interests of the underlying investors of the Funds which may not be consistent with the overall best interest of the Funds. In deciding the vote, the Adviser only votes in the best interest of the Funds. For matters that the Adviser considers immaterial, the Adviser will not necessarily vote. The Adviser or its delegate shall make and keep a written record of how all proxies have been voted on behalf of the Funds. When investments are made via swaps or derivatives, the Adviser will not have the right to vote. The Adviser is responsible for identifying any potential conflicts of interest that may arise in the proxy voting process.

Examples of conflicts of interest may include situations where the Adviser or its affiliates have a material business relationship with a proponent of a proxy proposal, which may influence how the vote is cast, or have a business or personal relationship with participants in a proxy contest, directors, or candidates for directorships (other than by virtue of the Adviser's employee's status as a director of the company). The Adviser will refer any such conflicts of interest to the appropriate party for review and resolution.

The Adviser will retain (i) its proxy voting policies and procedures; (ii) confirmation from custodians on delivering the votes in accordance with the Adviser's instruction; and (iii) any documents the Adviser prepared that memorialized the basis for the decision. The Adviser's proxy voting policies and procedures related to proxies are available to investors upon request.

## **ITEM 18 – FINANCIAL INFORMATION**

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



## **ITEM 19 – REQUIREMENTS FOR STATE REGISTERED ADVISERS**

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Advisers who are registered or are registering with state securities authorities are required to provide certain information about their business and management teams. At this time, the Adviser is federally registered only and is therefore not required to comply with Item 19.