
FORM ADV PART 2A: FIRM BROCHURE

ARDEA INVESTMENT MANAGEMENT PTY LIMITED

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This brochure provides information about the qualifications and business practices of Ardea Investment Management Pty Limited. If you have any questions about the contents of this brochure, please contact Tracey Hunter at Tracey.Hunter@ardea.com.au or Tel. +61 (2) 9994 7269 The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Ardea Investment Management Pty Limited also is available on the SEC's website at www.adviserinfo.sec.gov

Item 2. Material Changes

This is an update to the first annual amendment filing for Ardea Investment Management Pty Limited to disclose a participating affiliate relationship.

Since registering with the SEC, Ardea Investment Management Pty Limited has gone through an internal restructuring and Fidante Partners ("Fidante") has increased its ownership share.

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Item 4. Advisory Business

Founded in 2008, Ardea Investment Management Pty Limited ("Ardea" or the "Firm") is one of Australia's largest fixed income managers. Located in Sydney, the Firm is majority employee owned, with Fidante Partners ("Fidante") maintaining a strategic minority position. The Firm is regulated by the Australian Securities and Investment Commission and is registering with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser. The Firm is a long term, fundamentally driven, value investor with a focus on liquidity and diversification.

Advisory Services

Ardea provides investment advisory services on a discretionary basis to offshore pooled investment vehicles (the "Offshore Funds") and non-US separately managed accounts (the "SMAs"). Ardea will also provide investment advice as a sub-adviser to one open-end investment company registered under the Investment Company Act of 1940 and one US private fund (the "US Clients"). An unaffiliated manager serves as the investment adviser of the US Clients. The Offshore Funds and SMAs, together with the US Clients, are referred herein each as a "client" and collectively as the Firm's "clients."

Certain personnel of a non-U.S. affiliate of the Firm provide investment advice and other services to the US Clients, pursuant to a participating affiliate agreement. This affiliate, Ardea Investment Management (UK) Limited, is deemed to be a "Participating Affiliate" of the Firm and such personnel are deemed to be "Associated Persons" of the Firm. The Participating Affiliate is not separately registered as an investment adviser in reliance on an SEC No-Action Letter (Uniao de Bancos de Brasileiros S.A., pub. avail. July 28, 1992) and related SEC guidance.

The investment objective and strategy for each client is fully described in the relevant offering document or investment management agreement. Ardea's investment advisory services are provided directly to the Offshore Funds and US Clients and are not tailored to any individual underlying investors of these clients. The Firm manages the SMAs in accordance with negotiated guidelines and restrictions regarding investments and other investment criteria. These guidelines and restrictions are reflected in the investment management agreement between the Firm and the SMA.

The US Clients are currently the only clients in which US investors may invest.

The total amount of assets managed on a discretionary basis is approximately \$17,111,398,000. The Firm does not manage any assets on a non-discretionary basis.

Item 5. Fees and Compensation

Ardea is permitted to charge management fees and performance fees, as set out in each client investment management agreement.

Ardea's sub-advisory mandates will pay asset-based management fees to the Firm quarterly in arrears and provide for no performance-based allocation. Ardea will be compensated by the investment adviser of the US Clients and will not deduct any fee from the US Client accounts.

The management fees of the Offshore Funds are generally payable quarterly in arrears and are calculated based on the market value of the underlying investor's investment portfolio at the end of the billing period. Fees are deducted directly from client accounts and pro-rated on a daily basis, as needed, for any monthly fee period.

Fees for SMA clients are negotiated on a case by case basis with each underlying client and set forth in the applicable investment management agreement or other similar agreement.

Fees are negotiable and the Firm has discretion to waive or otherwise modify fees with respect to any investor. Some clients pay more or less than others depending on certain factors.

All clients bear their own operating costs and investors should consult offering documentation for a comprehensive explanation of these fees. Expenses borne by clients, in addition to the fees paid to Ardea, include costs of their investments and operation, including accounting, audit, fund administration, tax, legal and certain regulatory expenses, technology and costs associated with reporting and providing information to existing and prospective investors.

Investment costs include brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees and electronic fund fees, and other fees and taxes charged to security transactions which are unrelated to the fees collected by the Firm.

For more information on the Firm's brokerage practices, please refer to Item 12 in this brochure.

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

Ardea is not entitled to receive an annual incentive allocation or performance fee in relation to the US clients.

The Firm does receive performance-based fees for its investment management services to two of the Offshore Funds. A performance-based fee is a fee representing an asset manager's compensation for managing a client account that is based upon a percentage of the net profits of the client account being managed. The performance fee is typically 15% of net profits calculated on a daily basis above a specified benchmark and paid annually. Investors in the Offshore Funds should refer to the relevant offering documents for a detailed explanation of the fee calculation. The Firm has discretion to waive or otherwise modify fees with respect to any investor.

The Firm does not receive performance-based compensation for the management of the SMAs.

Performance-based fee arrangements may create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee-paying accounts over others in the allocation of investment opportunities.

Ardea has adopted policies and procedures to mitigate the inherent conflicts associated with managing accounts for multiple clients. The Firm has policies designed to ensure that its management of accounts is at all times consistent with its fiduciary responsibilities and that no client account is favored over another. These policies include requirements that all client accounts in the same strategy generally be managed the same way, regardless of the fee arrangement.

Client accounts are regularly reviewed by the investment team and compliance to confirm these policies are followed and that buy and sell opportunities are allocated fairly among client accounts.

Item 7. Types of client

As described in Item 4 above, the Firm acts as an investment adviser and a sub-adviser to pooled investment vehicles and separately managed accounts. Investors in the clients are primarily high net worth individuals, institutions, and non-US pension funds.

Investment minimums for investors of the sub-advisory clients are determined by those clients' investment adviser. In order to provide services in a sub-advisory capacity, Ardea generally requires a minimum level of assets under management in the sub-advised fund. The Firm determines these minimum levels on a case-by-case basis.

The initial minimum subscription of investors in the Offshore Funds is generally at least \$10,000 and the Firm has discretion to accept lower amounts.

Each SMA client will meet certain sophistication requirements and minimum initial investment requirements will vary depending on the agreement with the client and are at the Firm's discretion.

Shares in the Offshore Funds and SMAs are not offered to US investors.

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

As mentioned in Item 4, Ardea is a long term, fundamentally driven, value investor with a focus on liquidity and diversification. The Firm offers a range of active fixed income investment strategies all seeking to generate alpha from the same relative value investment approach. This approach seeks to deliver reliable risk-adjusted returns that are independent of market direction and exhibit low correlation to broader fixed income and equity markets. Ardea believes relative value mispricing is caused by market inefficiency and occurs when comparable securities that are closely related and have similar risk characteristics, are priced differently. Fixed income market inefficiency can be persistent over time and across market cycles because the underlying drivers are structural in nature. The Firm believes this persistence can make market inefficiency a source of returns around which a repeatable investment process can be built, capturing a diverse range of relative value mispricing opportunities.

Risk of Loss

Investing in securities involves risk of loss that investors and clients should be prepared to bear. There is no assurance that a client's investment objectives will be achieved or that the Firm's investment strategies will be successful. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with Ardea. Prospective investors are urged to consult their professional advisers and review any offering materials, prospectus, and/or investment management agreement before deciding to make an investment.

Relative Value

The success of the Firm's relative value trading strategy depends on its ability to identify overvalued and undervalued investment opportunities and exploit perceived inefficiencies in the pricing of financial instruments and capital, financial products or markets. Identification and exploitation of such discrepancies involve uncertainty. No assurance can be given that the Firm will be able to correctly or successfully locate investment opportunities or to exploit pricing inefficiencies in the capital markets. In the event that the perceived mispricings underlying the positions of the Firm's clients were to fail to converge toward, or were to diverge further from, relationships expected by the Firm, such clients may incur losses.

Futures and Options Trading is Speculative and Volatile

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which we may trade on behalf of our clients. Certain of the instruments are interest and foreign exchange rate sensitive, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. Our performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximise returns to the client, while attempting to minimize the associated risks to its investment capital. Variance in the degree of volatility of the market from the client's expectations may produce significant losses to the client.

Futures Liquidity

Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the client from liquidating unfavourable positions.

Derivatives

The Firm, on behalf of its clients will invest in derivatives. Derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. The clients may use derivatives for any number of purposes including, among other things, as a substitute for taking a position in the underlying asset or as part of a strategy designed to reduce or increase exposure to other risks, such as interest rate or currency risk. Use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in more traditional investments. Derivatives are subject to a number of risks, such as interest rate risk, market risk and credit risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. If a client invests in a derivative instrument, it could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Firm will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Debt Securities and Related Instruments

The clients will trade in debt securities and related instruments (including government debt securities), which may or may not be rated. Generally, the value of debt instruments will change in response to fluctuations in interest rates. When interest rates decline, the value of debt instruments generally can be expected to rise. Conversely, when interest rates rise, the value of debt instruments generally can be expected to decline. The value of debt instruments may fluctuate in response to, among other things, changing perceptions of credit risk, interest rate risk, counterparty risk and/or issuer risk. An issuer of debt instruments (including a sovereign issuer) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine such issuer's ability to make timely payment of interest and principal. The value of debt instruments may also fluctuate in response to broader economic developments, such as changing economic cycles, political stability and economic policies. For example, an economic downturn could (i) severely disrupt the market for debt securities (including liquidity therein), (ii) adversely affect the values of debt securities and/or (iii) impair the ability of issuers of debt securities to repay principal and pay interest thereon (thereby increasing the incidence of default on such debt securities).

Forward Trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to the clients funds.

Collateral Risks

Collateral or margin may be passed by the client to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the client to additional risk.

Difficult Market and/or Economic Conditions

The success of the clients' investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of security prices and liquidity of the securities held by the clients. Unexpected volatility or liquidity could impair a client's profitability or result in losses. The clients may be materially affected by conditions in the global financial markets and economic conditions throughout the world. The

global market and economic climate may deteriorate because of many factors beyond the Firm's control, including rising interest rates or inflation, credit crises, market disruption, terrorism or political uncertainty.

Non-U.S. Government Securities

The clients will trade non-U.S. government securities. Securities of some non-U.S. government issuers are less liquid and more volatile than comparable U.S. government securities. Similarly, non-U.S. government securities markets may have lower volume and/or liquidity than U.S. government securities markets and, at times, price volatility can be greater than in U.S. government securities markets. Because certificates and other evidence of ownership of such securities may be held outside the U.S., the clients may be subject to additional risks, including possible adoption of governmental restrictions which might adversely affect the payment of principal and interest on such securities or might restrict the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. The value of non-U.S. securities may also be affected by changes in currency rates.

Currency Exchange Exposure

The clients may invest in financial instruments denominated in non-U.S. dollar currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. The clients available to US investors, however, value their financial instruments in U.S. dollars. These clients may seek to hedge their non-U.S. dollar currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when the clients wish to use them, or that hedging techniques employed by the clients will be effective.

Credit Risk

There can be no assurance that issuers of the securities or other instruments in which a client invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The client will also be exposed to credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

Index Risk

If a derivative is linked to the performance of an index, it will be subject to the risks associated with changes to that index. If the index changes, the client could receive lower interest payments or experience a reduction in the value of the derivative to below what the client paid. Certain indexed securities – including inverse securities (which move in the opposite direction to the index) – may create leverage, to the extent that the increase or decrease in value is at a rate that is a multiple of the changes in the applicable index.

OTC Markets Risk

Where any client acquires securities on OTC markets, there is no guarantee that the client will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

Cybersecurity

The Firm and the clients are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and unintentional damage or interruption in service. A cybersecurity breach could expose the Firm to substantial costs, civil liability, and regulatory inquiry and/or action. In addition, as the Firm does not directly control the cybersecurity systems of third-party service providers, there can be no assurance that the cybersecurity practices of these providers will protect the Firm or the clients.

Item 9. Disciplinary Information

Ardea has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10. Other Financial Industry Activities and Affiliations

Neither Ardea nor any of the Firm's management persons are registered, or have an application pending to register, as (i) a broker-dealer or a registered representative of a broker-dealer or; (ii) a futures commission merchant, commodity pool operator or an associated person of the foregoing entities.

Ardea is registered as a Commodity Trading Advisor.

As described in Item 4, Ardea has entered into a Participating Affiliate arrangement with Ardea Investment Management (UK) Limited. Pursuant to this arrangement, certain employees of the Participating Affiliate serve as Associated Persons of Ardea and, in this capacity, are subject to the oversight of the Firm. These Associated Persons may, on behalf of Ardea, participate in providing discretionary and non-discretionary investment management services (including acting as portfolio managers and traders), research and related services to the US Clients.

Neither Ardea nor any of its management persons have any other relationship or arrangement that is material to or causes a conflict with the Firm's advisory business or to its clients.

As mentioned in Item 4, the Firm has a strategic relationship with Fidante, a global investment management business that forms part of the Challenger Limited Group, an Australian Stock Exchange-listed investment management firm. Fidante forms long-term alliances with talented investment teams to support and grow specialist investment management businesses. Fidante provides fund administration, fund distribution and (in Europe) UCITS platform services, among other services. Ardea works closely with Fidante, which will provide infrastructure support, including IT services and operational support to the Firm.

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

Ardea has adopted a Code of Ethics (the "Code") which sets out the standards of conduct expected of the Firm's employees and details policies and procedures addressing certain potential conflicts of interest, including employee trading. All employees are responsible for upholding Ardea's fundamental principles of integrity, honesty and trust and must conduct their activities with due skill, care, diligence and fairness.

Employee personal trading requirements apply to all "access persons" of Ardea (as defined in Advisers Act Rule 204A-1) as well as their spouses and certain other covered accounts as further described in the Code. Furthermore, the reporting requirements apply to any account in which an access person or other person covered by the requirements has a direct or indirect beneficial, economic or financial interest or over which an access person or other person covered by the reporting requirements has investment discretion or direct or indirect influence or control. The Associated Persons employed by the Participating Affiliate are subject to elements of the Code. The Chief Compliance Officer monitors the administration of the Code and training provided to Ardea's access persons, as well as Associated Persons employed by the Participating Affiliate.

Employees are required to submit to the Chief Compliance Officer ("CCO") an initial and annual report listing their reportable securities and a quarterly report of transactions. Certain personal securities transactions, as set out in the Code, are required to be preapproved by the CCO or her delegate. Due to the strategies employed by the Firm, employees are not able to transact in securities that are traded in the clients' accounts.

Employees are also subject to restrictions on participating in initial public offerings and private placements and the right of the Firm to require them to disgorge any profits from a transaction deemed, after the event, to conflict with client interests. Employees are prohibited from trading either in their personal accounts or client accounts on the basis of material non-public information.

A copy of the Code will be provided to any client or investor upon request by contacting Tracey Hunter, Ardea's CCO, at Tracey.Hunter@ardea.com.au or Tel. +61 (2) 9994 7269.

Item 12. Brokerage Practices

As an adviser and a fiduciary to its clients, the Firm requires that clients' interests always be placed first and foremost. Trading procedures must prohibit unfair trading practices and any actual or potential conflicts of interest should be resolved in the clients' favor. The Firm has adopted policies and procedures to meet its fiduciary responsibilities and to ensure its trading practices are fair to all clients and that no client is advantaged or disadvantaged over any other.

Selection of Broker-Dealers

The process by which the Firm selects counterparties is a part of the effort to ensure best execution on behalf of client transactions. Based on set criteria, the Firm has developed an Approved Counterparty List. Each approved counterparty has met the prescribed requirements as an appropriate counterparty, which include, among other factors, the following:

- The broker's reputation, experience and financial stability;
- The broker's standing with pertinent regulatory bodies and associations; and
- A review of any recent or pending regulatory actions.

Both the Approved Counterparty List and counterparty criteria are reviewed on an annual basis. Each investment area may develop a preferential "tier list," derived from the Approved Counterparty List. Factors used for tier lists are specific to the requirements of the type of security. When selecting brokers for trading from those on the Approved Counterparty List, many criteria are considered, including, but not limited to, the following:

- The speed and quality of trading execution to minimize market price impact and maximize value for clients;
- The broker's capacity and willingness to commit trading capital and find liquidity to complete trades;
- The broker's electronic trading capabilities;
- Timely acknowledgement and correction of trade errors;
- The efficient clearance and settlement of trades; and
- The counterparty's overall ability to provide best execution for the clients.

Ardea will, in its sole discretion, select broker-dealers to execute client transactions based on a totality of the circumstances, including any or all of the factors outlined above and others, as set out in the Firm's policy. This means that a broker-dealer offering the most favorable commission or spread may not be selected to execute a particular transaction.

Soft Dollar Usage

Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") provides a safe harbor that allows investment managers with discretionary authority over client accounts to use their clients' agency commission dollars to purchase research and brokerage services to assist them in the performance of their investment decision-making responsibilities, without breaching their fiduciary duties to clients.

The Firm does not currently use soft dollars generated by commissions from client accounts to pay for research or brokerage products and services. Any possible future soft dollar arrangements will only be considered if they fall within the safe harbor provided by Section 28(e).

Trade Aggregation and Allocation

Ardea's trading policies and procedures apply equally across all clients regardless of size and are designed to prevent the Firm from even inadvertently putting the interests of one client ahead of another.

The Firm may, but is not obligated to, aggregate orders being placed for execution at the same time for the accounts of two or more clients, where it believes such aggregation is appropriate to reduce transaction costs and is in the best interest of its clients.

Ardea will aggregate orders only if the Firm determines, in its sole discretion, among other things, that it is in line with the Firm's requirement to obtain best execution. When an aggregated order is filled through multiple trades at different prices on the same day, each participating client account will typically receive the average price with transaction costs allocated pro rata based on the size of each client account's participation in the order (or allocation in the event of a partial fill) as determined by the Firm.

Trades are allocated on a pre-trade basis that is believed to be fair and equitable; no participating client receives preferential treatment over any other over time. When allocating trades, the Firm considers each client's investment strategy, objectives, and any relevant restrictions. Where the Firm deems an investment opportunity to be suitable for more than one client, the Firm allocates such investment opportunity in a manner that ensures all clients have equal access to the same quality and quantity of investment opportunities over time.

Cross Trades

Ardea will only engage in "cross trades" if the sale or purchase is consistent with the Firm's fiduciary obligations to each client. When undertaking a cross, the Firm's policy mandates that the transaction is performed using one of the following:

- Weighted average price; or
- The closing price as determined by a publicly available ratesheet; or
- Price at the time the trade is effective using either Bloomberg or a live approved counterparty market price; or
- Price agreed with the clients.

Cross transactions may include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar.

Item 13. Review of Accounts

Review of Accounts

Controls are in place to confirm that all portfolios remain within their investment restrictions and guidelines as specified in the investment mandate. This occurs through regular monitoring and reporting with:

- Portfolio Managers responsible for the daily management.
- Pre and post trade compliance processes that track compliance with mandates.

Reporting

Ardea generally provide clients with reports not less frequently than quarterly. Reporting includes market commentary, performance reporting, compliance attestations, audited financials, and client specific information such as positions and exposure.

We urge clients to carefully review these reports and compare them to the statements that they receive from the client administrator or, as applicable, the custodian. The information in the reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 14. Client Referrals and Other Compensation

No person, who is not an underlying investor or separately managed account client, provides an economic benefit to the Firm for providing investment adviser or other advisory services.

Neither the Firm nor any of its related persons compensate any person, who is not a supervised person of the Firm, for investor or client referrals.

Item 15. Custody

As an offshore manager to offshore funds, the Firm is not deemed to have custody of the Offshore Fund assets as defined by Rule 206(4)-2 of the Advisers Act. Further, the Firm is not authorized by the Australian Securities and Investment Commission to hold client assets and independent custodians have been engaged for such purposes.

Ardea does not accept custody with respect to SMAs and as a sub-adviser will not be deemed to have custody over the US Clients.

Item 16. Investment Discretion

The Firm possesses discretionary portfolio management authority with respect to investment decisions for the clients as per the clients' offering documents and investment management agreements. The Firm has the full discretionary authority to determine the securities to be purchased and sold for a clients' account. For sub-advisory clients, any investment guidelines and restrictions must be provided to Ardea in writing.

Discretion is exercised in a manner consistent with stated investment objectives for the particular client account pursuant to the Firm's fiduciary duty.

Item 17. Voting client Securities

Ardea generally does not invest client accounts in securities with voting rights.

For securities that do have voting rights, the Firm's primary objective when voting will be maximizing the value of clients investments.

As an investment manager, the Firm takes its ownership responsibilities seriously as the right to vote as proxy can be an important asset. We believe that good corporate governance is reflected in a company when the following is reflected in the board structure.

- Board composition should be made up of a majority independent Directors, subject to the skills and experience that the individual brings to the Board;
- The roles of Company Chairperson and Chief Executive Officer should be separate individuals; and
- Directors should also be independent of management, and free of any business or other relationship that could materially interfere with management's decision.

The Firm generally votes proxy proposals, amendments, consents or resolutions relating to client securities (each a "proxy") in accordance with the following guidelines:

- The Firm will generally support a current management initiative, if view of the issuer's management is favorable;
- The Firm will generally vote to change the management structure of an issuer, if it would lead to an increase in shareholder value; and
- The Firm will generally vote against management, if there is a clear conflict between the issuer's management and shareholder interest.

All proxies are evaluated and voted on a case-by-case basis. There may be a situation where the Firm decides, in the best interests of its client, to deviate from this policy or abstain from voting. In this event, the Firm will document in writing the reason for the deviation and abstention.

There may be times in which conflicts arise between the interests of a client and the interests of the Firm. In these cases, the CCO will always strive to address such conflicts in the best interests of the client. If a conflict of interest is perceived to be material, the Firm may resolve such conflict as follows:

- Approval of the vote may be required from senior management;
- The voting decision may be delegated to an independent third party;
- The voting decision may be delegated to an independent committee of partners, members, directors or other representatives of the client, as applicable; or
- Investors or representatives of the client may be informed of the conflict of interest and consent obtained (majority consent, in the case of a fund) to vote the proxy as recommended by the Firm.

The CCO will document the factors involved and the resolution of any material conflict.

The Firm maintains documentation related to each proxy vote, including (i) a record of how the Firm voted, and (ii) any documents created by the portfolio manager or others that were material to the voting decision.

A copy of the Firm's proxy voting guidelines and information regarding how the Firm has voted a client's securities are available upon request by contacting Tracey Hunter, Ardea's CCO, at Tracey.Hunter@ardea.com.au or Tel. +61 (2) 9994 7269.

Item 18. Financial Information

The Firm 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.