

ITEM 1  
COVER PAGE

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PART 2A OF FORM ADV: FIRM BROCHURE



**Man Investments Australia Limited**

March 31, 2023

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**This brochure (this "Brochure") provides information about the qualifications and business practices of Man Investments Australia Limited. If you have any questions about the contents of this Brochure, please contact us at +61 2 8259 9980 and/or [allincompliance@man.com](mailto:allincompliance@man.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.**

*Man Investments Australia Limited is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training and no inference to the contrary should be made.*

**Additional information about Man Investments Australia Limited is also available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2**

### **MATERIAL CHANGES**

Man Investments Australia Limited ("MIAL")'s last update to its brochure was July 27, 2022. Since this update, the following amendment has been made to the brochure, which we do not deem to be material:

- Item 8.B. has been updated with regards to certain risk disclosures.
- Item 10.C. has been updated with regards to certain affiliates.

**Even though a concerted effort is made to keep clients/investors informed of notable changes to MIAL's business throughout the year, clients/investors are encouraged to review this update carefully, much like all of MIAL's reports and communications, in its entirety.**

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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. General Description of Advisory Firm**

MIAL, which was formed on April 16, 1984, is a public company limited by shares registered under the Corporations Act of 2001 of Australia with its principal place of business in Sydney, Australia. MIAL is licensed by the Australian Securities and Investments Commission in Australia. The direct owner of MIAL is Man Australia LP, an indirect wholly owned subsidiary of Man Group plc. Man Group plc is a public company listed on the London Stock Exchange and is a component of the FTSE 250 Index. Man Group plc, through its investment management subsidiaries (collectively, "Man"), is a global investment management business and provides a range of fund products and investment management services for institutional and private investors globally. As of December 31, 2022, Man had approximately US\$143.3 billion of assets under management.<sup>1</sup>

MIAL offers advisory or sub-advisory services to non-U.S. and U.S. institutional managed accounts and pooled investment vehicles, including private funds (the "Funds") on either a discretionary or non-discretionary basis. MIAL offers discretionary investment advice and/or management services according to the stated investment objectives, restrictions and policies of each client.

MIAL's advice with respect to the Funds and managed accounts is made in accordance with the investment objectives and guidelines as set forth in the applicable MIAL Fund's offering memorandum or the managed account's investment management agreement. "Funds" include one or more funds that MIAL, its affiliates or employees have seeded or invested over 25% of the capital of such Funds. Important information regarding each Fund and managed account, which includes investment objectives, risks, strategy, fees and other material information, including applicable conflicts of interest is contained in each Fund's offering documents and in each managed account's investment management agreement, as the case may be.

As used herein, the term "client" generally refers to each Fund and each beneficial owner of a managed account.

As part of its services, MIAL provides discretionary investment management and research services to certain clients or Funds of its affiliate, GLG Partners LP, which is located in London, England and is an investment adviser registered with the SEC and is authorized and regulated by the Financial Conduct Authority in the United Kingdom. In connection with these

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<sup>1</sup> Man assets under management as stated in the Man Group plc Annual Report include advisory-only assets over which Man has no decision making or trading authority and managed account platform services for which Man provides platform and risk management services but does not provide investment management services.

services, MIAL manages select portfolios of certain non-U.S. pooled investment vehicles for which GLG Partners LP serves as investment manager or in a similar capacity.

In addition, MIAL provides model portfolio services through separately managed model portfolio arrangements in accordance with client investment guidelines and restrictions as detailed in such client's investment management agreement. MIAL does not have decision making or trading authority for such model portfolio services.

MIAL may offer non-discretionary investment management services. With respect to non-discretionary accounts, MIAL would have on-going responsibility to select or make recommendations, based upon the needs of the client, as to specific financial instruments the account may purchase or sell and, if such recommendations are accepted by the client, MIAL would be responsible for arranging or effecting the purchase or sale.

From time to time, certain affiliated advisory firms are considered to be "Participating Affiliates" of MIAL (as that term is used in relief granted by the staff of the Securities and Exchange Commission ("SEC")) allowing investment advisers registered with the SEC to use portfolio management, research operations, and trading resources of advisory affiliates and personnel subject to the supervision of an SEC-registered adviser. Professionals from such Participating Affiliates may render portfolio management, research, trading or other related services to MIAL clients and/or MIAL as affiliated "associated persons" of MIAL and are subject to supervision by MIAL. In addition, MIAL may provide portfolio management, research, or other related services to the Participating Affiliates under separate services agreements. Fees may be paid by and received from the parties under these arrangements.

MIAL complies with applicable U.S. securities regulations only with respect to its U.S. clients. MIAL's investment strategy or the business may change from time to time.

Man provides a number of centralized functions to MIAL, which includes trading, financing and cash management, risk management, operations, middle office accounting, finance, proxy voting, class actions, human resources, facilities, tax, legal, compliance, information technology, among other such services. MIAL utilizes investment management, research, investment models, trade execution, client servicing, sales and marketing capabilities of its affiliates in providing services to its clients. Specifically, MIAL utilizes GLG Partners LP's investment management, trading and research services in providing services to its clients.

In addition, MIAL's affiliates may utilize its investment management, research, and other services in providing services to their clients. In addition to investment management services, MIAL provides distribution services to its affiliates primarily in Australia and New Zealand. MIAL does not provide such services in the U.S.

## **B. Description of Advisory Services**

Please see Item 8 herein.

*This brochure generally includes information about MIAL and its relationships with its clients and affiliates. While much of this brochure applies to all of MIAL's U.S. clients,*

*certain information included herein applies to specific U.S. clients only. Important information regarding each fund and managed account, which includes investment objectives, risks, strategy, fees and other material information, including applicable conflicts of interest regarding relationships with affiliates, is contained in each fund's offering documents and in each managed account's investment management agreement, as the case may be.*

**C. Availability of Customized Services for Individual Clients**

MIAL's investment decisions and advice with respect to each Fund are subject to the Fund's investment objectives and guidelines, as set forth in its offering documents. Similarly, MIAL's investment decisions and advice with respect to each managed account are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement, as well as any written instructions provided by the client to MIAL.

A Fund may issue multiple classes, sub-classes, tranches, sub-tranches and/or series (or sub-series) of shares or interests, as applicable, in the future (or enter into "side letter" agreements with certain investor(s) that alter, modify or change the terms of the shares or interests, as applicable, held by the investor(s)), which may differ and may be more favorable from the shares or interests, as applicable, currently offered by the Fund in terms of, among other things, performance compensation, management fee, redemption rights (including redemption dates and notice periods), currency denomination, minimum and additional subscription amounts, informational rights and other rights. New classes, sub-classes, tranches, sub-tranches and/or series (or sub-series) of shares or interests, as applicable, may be issued (or side letter agreements may be entered into) by a Fund's board of directors, in its sole discretion, on behalf of the Fund without providing prior notice to, or receiving consent from, existing investors. The terms of such classes, sub-classes, tranches, sub-tranches and/or series (or sub-series) or side letter agreements will be determined by the board of directors, in its sole discretion. In general, a Fund will not be required to notify investors upon entering into side letter agreements nor will a Fund be required to offer such additional and/or different rights and/or terms to any or all of the other investors.

**D. Wrap Fee Programs**

MIAL does not participate in wrap fee programs.

**E. Assets Under Management**

MIAL manages approximately US\$757 million in regulatory assets under management on a discretionary basis as of December 31, 2022.



## **ITEM 5**

### **FEES AND COMPENSATION**

A fee schedule is omitted because this Brochure is being delivered only to qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

MIAL does not maintain a basic fee schedule. The following is a general overview of the types of fees MIAL charges its clients:

#### **A. Advisory Fees and Compensation**

Fees for each client are determined on a case-by-case basis. Fees for institutional managed accounts are negotiated directly with each managed account and may consist of a fee based on assets under management, investment performance or a combination of both. Performance-based fees, if applicable, will be charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

#### **MIAL Funds**

Fees charged to the Funds are fully described in the respective Fund's offering document. Generally, with respect to the Funds, MIAL or its affiliates (i) charge a monthly or quarterly management fee in arrears at annualized rates generally ranging from 0.50% to 1.50% and (ii) may charge performance fees generally up to 20% of net profits and in some cases could be subject to a "benchmark return", "high water mark" or "hurdle rate" calculated and payable annually or at the time of a redemption/withdrawal. Certain non-US share classes of certain Funds may also be subject to distribution fees and/or redemption fees as further described in the Fund's offering documents.

Certain UCITS funds pay an administration fee to the non US based manager of the UCITS funds which is an affiliate of MIAL (the "Manager") of up to 0.30% per annum of average net asset value payable monthly in arrears. The administration fee is used to pay the services of the administrator and administrative services of the Manager as further described in the UCITS funds' prospectus.

As permitted, MIAL or its affiliates may from time to time in its sole discretion and out of its own resources decide to rebate part or all of the management and/or performance fees, and/or distribution fees to some or all investors or to intermediaries. MIAL or its affiliates may pay a portion of its fees to distributors or intermediaries of the Funds.

MIAL's compensation may be negotiable and MIAL may, in its sole discretion, elect to waive or modify any compensation with respect to any investor, without entitling any other investor to a waiver or modification. MIAL's fees and compensation will be shared from time to time with its affiliates. MIAL or its affiliates may also invest client or Fund assets in investments that charge additional fees. Investments that charge additional fees may include, but are not limited to, money market funds, short-term investment vehicles, exchange traded funds,

pooled investment vehicles, special purpose investment vehicles and alternative investment vehicles.

Generally, the investment management agreements with clients may be terminated by either party in accordance with the terms and notice period described in each investment management agreement. MIAL's investment management agreements are generally terminable with prior written notice, without penalty, or upon a breach, and/or also may be automatically renewed.

**B. Payment of Fees**

Fees and compensation paid to MIAL or its affiliates by the Funds or managed accounts are generally paid by the client from its assets. With regards to the Funds, the fees are calculated by the Fund's administrator and are paid directly from the Fund's assets. Management fees are generally paid, on either a monthly or quarterly basis in arrears, and the performance compensation is generally deducted on an annual basis or at the time of a redemption or withdrawal, as applicable, or more frequently as further described in the Fund's governing documents or managed account's investment management agreement. With regards to managed accounts, fees are negotiated and agreed upon with the client directly and may include a management fee or a combination of management fee and performance-based compensation. Management fees and performance-based compensation generally are pro-rated for partial periods.

MIAL's employees may invest in one or more Funds. MIAL's employees may or may not be subject to a management fee and performance-based compensation by these Funds. In addition, MIAL's employee investments may or may not be subject to the same liquidity terms or fees as those of other investors in the Funds.

**C. Additional Fees and Expenses**

Not all of MIAL's Fund investors bear all of the expenses set forth below and, in some cases, will bear additional expenses not included herein. Fund investors should refer to the Fund's governing documents for details relating to specific expenses relating to the Fund.

In addition to the asset-based and as applicable, performance-based compensation described above, each MIAL's Fund investor generally bears the following expenses: operating and other expenses and its *pro rata* portion of the Fund's expenses and as applicable master fund expenses, including, but not limited to, fund formation, fees paid to administrators, fees paid to custodians, fees paid to prime brokers, fees relating to any special purpose vehicles, as applicable, investment-related expenses (*e.g.*, brokerage commissions (see Item 12 for more information on brokerage expenses)) and transaction costs, currency hedging costs, clearing and settlement charges, interest expense, fees and expenses incurred in any borrowing or lending securities, any cost of acquiring or maintaining financing, any cost implicit in any repurchase or reverse repurchase agreements, consulting costs, legal costs, research and data charges, fees to negotiate and settle potential and actual transactions, as applicable, (including, without limitation, investment-related litigation and restructuring expenses), investment banking and any other professional fees or compensation relating to particular investments or contemplated investments

and research-related expenses, including, transactional, risk, market, reference, consumer and industry data and information, alternative data, news and quotation equipment and services (including fees for data, data aggregation and software providers, exchanges and other third party and information vendors, other non-traditional and information sources, academic research data and trade ideas), expert networks or other networks, other third-party fees and expenses incurred in connection with the evaluation of prospective transactions, (including, related travel and due diligence costs and expenses related to certain investments), expenses relating to third-party valuation services, expenses attributable to any third-party proxy voting service, costs for ERISA bonding, if applicable, expenses relating to reports provided to investors, expenses associated with the preparation, printing and distribution costs of the periodic and annual financial statements and all professional and other fees and expenses in connection therewith; the cost of publication of the net asset value of the fund, external legal and compliance expenses (which include, responding to formal and informal inquiries, subpoenas, investigations and other regulatory matters, indemnification expenses and expenses associated with regulatory filings including blue sky filings and other filings relating to the Fund and/or master fund and/or underlying investments, if applicable), legal costs relating to the review, negotiation, closing and/or settlement of potential and actual transactions, as applicable, relating to actual or contemplated investments (including, without limitation, such fees and expenses for transactions that a Fund and/or MIAL elect ultimately not to acquire for the Fund); fees and expenses incurred in connection with any potential or actual investment or other participation in, or any holding or disposition of any interest in, another investment entity, business entity or organization, including any restructuring expenses; any broken deal expenses; and fees and expenses related to the engagement of any service providers to MIAL and its affiliates or any other trading vehicle incurred in the course of operating assets in which a Fund invests; any expenses associated with preparing, monitoring, analyzing, monitoring tax and administrative reports or other documentation, external accounting, audit and tax preparation expenses, directors fees and expenses, organizational and operating expenses, clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions, liquidation costs, and the out-of-pocket expenses incurred by the Fund's service providers, insurance fees and expenses, including, if applicable, a reasonably allocated portion of the premiums for any fund directors' and officers', errors and omissions, cybersecurity or other coverage that would offset a portion of the Fund's indemnity obligations, expenses relating to the offer and sale of Fund interests and/or shares, taxes, expenses related to the maintenance of the Fund's registered office, and corporate licensing expenses. MIAL or its affiliates may pay certain of the aforementioned expenses and may therefore be entitled to be reimbursed by a Fund in respect of such expenses. Fund costs may be amortized over a period of time to ensure that large expenses are borne in an equitable manner.

Each managed account will typically bear many of the fees and expenses described above. Certain expenses borne by the Funds may or may not be shared by managed accounts. The expenses borne by a managed account are set forth in the managed account's investment management agreement or as otherwise agreed with the managed account.

### **Allocation of Expenses**

A Fund or managed account may incur an expense which forms part of a larger aggregate expense relating to a number of entities for which MIAL or its affiliates provide

services. Such expense will normally be allocated between the relevant entities, on a *pro rata* basis or in conjunction with a flat fee per entity for a portion of the expense, where appropriate or as otherwise determined by MIAL and/or the Fund directors in a fair and reasonable manner.

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

MIAL may accept performance-based fees for some, but not all clients to which it provides investment advisory services. MIAL may face a conflict of interest by managing accounts that are subject to a performance-based fee or allocation and accounts that are not subject to a performance-based fee or allocation, including that MIAL may have an incentive to favor accounts for which it receives performance-based fees or allocations. MIAL may also have an incentive to favor accounts from which MIAL will receive a performance fee calculated at a higher rate over accounts from which MIAL will receive a performance fee or allocation calculated at a lower rate. This includes scenarios where a performance fee may be expected to be at a lower rate given the operation of a fee calculation mechanism such as a high-water mark. Furthermore, performance-based fee compensation may create an incentive for MIAL to make riskier or more speculative investments than would be the case in the absence of such performance fees.

Generally, MIAL addresses these conflicts of interest through the adoption of policies and procedures that are designed to mitigate such conflicts of interest and ensure compliance with applicable laws, including by way of an investment allocation policy which is designed to ensure all accounts are treated fairly and equitably over time regardless of the types of fees or fee rates paid. Please see Items 11.B.2 and 11.D below.

## **ITEM 7**

### **TYPES OF CLIENTS**

MIAL currently provides sub-advisory services through its affiliate to non-U.S. pooled investment vehicles including UCITS funds on a discretionary basis. The securities of the Funds are not registered under the Securities Act of 1933. In addition, the Funds are not registered under the Investment Company Act of 1940 and may or may not be continuously offered. In addition, MIAL provides model portfolio services to U.S. based investment advisers to assist in the management of client portfolios including, institutional, ERISA and registered investment companies.

Redemption rights with respect to each Fund are set forth in the offering memorandum for each Fund. Termination rights with respect to each managed account are set forth in the investment management agreement for each managed account. Investments in the Funds may be subject to certain qualifications and a minimum investment requirement which under certain conditions may be waived as set forth in the Fund's offering memorandum. Currently, MIAL does not have a pre-determined account minimum for managed accounts.

## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

#### A. **Methods of Analysis and Investment Strategies**

*The descriptions set forth in this brochure of specific advisory services that MIAL offers to clients, and investment strategies pursued and investments made by MIAL on behalf of its clients, should not be understood to limit in any way MIAL's investment activities. MIAL may offer any advisory services, engage in any investment strategy and make any investment for its clients, including any not described in this brochure, that MIAL considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies MIAL pursues are speculative and entail substantial risks. Clients/investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.*

MIAL conducts its own analyses and may also use the analyses and certain models of its affiliates as well as third parties. MIAL may use many sources of information in its analyses of financial instruments which may be obtained from its affiliates or third parties. These sources include but are not limited to: financial filings; business, economic, financial and other publications; trade journals; other money managers or financial services professionals; media sources; information from brokers including, research, models, discussions with analysts, idea meetings, and other information provided by brokers; third-party data services including alternative data; external research; one-on-one conversations with company management teams, suppliers, customers, end users and sector specialists, as well as lawyers, economists, strategists, lobbyists, academic specialists and expert networks. In addition, MIAL may employ third-party consultants to provide it with fundamental and technical research, including, but not limited to, information regarding various markets, industries and companies. Furthermore, MIAL may utilize other sources of information which may exist from time to time.

MIAL may employ a number of investment strategies in connection with its investment advisory services depending upon the type and stated investment objectives of each client. These investment strategies include, but are not limited to, the following which may be used for investment, hedging or speculative purposes: fundamental stock picking, long-only equities, futures on equity indices, buying and selling of derivatives, securities lending and pairs trading.

With regards to certain of its investment strategies, MIAL may consider ESG factors including the Man Responsible Investment framework, which considers responsible investment criteria when making investment decisions. Such factors and responsible investment criteria will be disclosed accordingly.

Depending on the specific investment strategies pursued, MIAL may invest in one or more of the following, among others: equity instruments (including listed and un-listed securities), derivatives or other financial instruments, convertible and preferred securities, and

warrants. The derivative instruments in which clients may purchase or sell include, without limitation, exchange-traded or over-the-counter ("OTC") derivatives, options, swaptions, swaps (including, but not limited to, basket swaps, equity swap, contracts for difference and total return swaps), and deliverable and non-deliverable forward contracts. Clients also may from time to time purchase or sell currencies, forward currency contracts or other related derivative instruments. MIAL clients will incur additional costs when trading securities on swap.

MIAL may engage in other investment and trading strategies that may be deemed appropriate from time to time. Investment strategies utilized in the management of the Funds are described in greater detail in each Fund's offering document and each managed account's investment management agreement.

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

The investment strategies MIAL pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in a Fund or managed account managed by MIAL.

*The following risk factors may not be applicable to all clients. Investments in a Fund are speculative and involve a substantial degree of risk, including the risk that an investor could lose some or all of its investment in a Fund. Prospective investors should carefully consider the risks of investing, which include, without limitation, those set forth below which are more fully described in the applicable Fund's offering documents. These risk factors include only those risks MIAL believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by MIAL and do not purport to be a complete list or explanation of the risks involved in an investment in a Fund or to clients advised by MIAL.*

#### **Risks of Investments in Securities Generally**

Investing in securities involves risks, including the risk that the entire amount invested may be lost. On behalf of its clients, MIAL may invest in and actively trade securities and other financial instruments using investment techniques with certain risk characteristics, including, without limitation, risks arising from the volatility of the equity markets, risks particular to emerging markets, the potential illiquidity of securities and other financial instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that a client investment objective will be achieved. MIAL may utilize such investment techniques as leverage and margin transactions, limited diversification and options and derivatives trading; such practices are likely to, in certain circumstances, increase the adverse impact to which clients may be subject.

#### **Market Risk**

Investments in securities are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that an



investment will appreciate in value. MIAL's strategies are subject to multiple dimensions of market risk: unexpected directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, "flights to quality" and "credit squeezes".

The particular or general types of market conditions in which clients may incur losses or experience unexpected performance volatility cannot be predicted, and clients may materially underperform other clients with a substantially similar investment objective and approaches.

### **Systemic Risk**

Systemic credit risk may arise through a default by one of several financial institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearinghouses, banks, securities firms and exchanges and issuers of financial instruments, with which GLG LLC interact on a daily basis including entities with which a client has trading relationships, that provide a client with financing arrangements and/or that custody all or some portion of a client's assets. Such risks may be exacerbated by the obligations for certain securities to be centrally cleared by a third-party clearing house, such that the financial stress or systemic credit risk with respect to a particular type or class of security will be compounded due to the default or financial distress of, or other credit event related to such clearing house.

World events and/or the activities of one or more large participants in the financial markets could result in a temporary or sustained systemic breakdown in the normal operation of financial markets. Such events could result in liquidity and counterparty credit events which could result in a portfolio incurring substantial or total losses.

### **Investing in Developing Countries**

MIAL invests on behalf of clients in countries that are not part of the G7.<sup>2</sup> The economies of such countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Business entities in countries outside of the G7 have only a limited history of operating in a market-oriented economy, and the ultimate impact of such countries' attempts to move toward more market-oriented economies is currently unclear. The social and economic difficulties resulting from local corruption and crime could adversely affect the value of the investments. Certain countries outside of the G7 have been developing a body of real property, securities and tax laws and laws governing corporations and other business entities. Such legal structures governing private and foreign investment and private property, where they have been implemented, tend to be new. Laws may not exist to cover all business and commercial relationships or to protect the holders of interests in equity or debt securities adequately. Laws, regulations, and legal interpretations in less developed

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<sup>2</sup> The G7 countries include Canada, France, Germany, United Kingdom, Italy, Japan, and the United States.

countries can change quickly and unpredictably in a manner far more volatile than in the United States and certain of the more developed countries. These changes could materially and adversely affect the investments.

### **Material, Non-Public Information**

From time to time, as part of its business activities, MIAL or its affiliates may come into possession of material, non-public information concerning specific issuers. Under applicable laws and MIAL's procedures, this may limit MIAL's flexibility to buy or sell the securities of such issuers.

### **Investing in Emerging Markets and Frontier Markets**

MIAL may cause a client to invest in investments in various markets, some of which may be considered as "emerging markets" or "frontier markets". Many emerging markets or frontier markets are developing both economically and politically and may have relatively unstable governments and economies based on only a few commodities or industries. Many emerging markets or frontier markets countries do not have firmly established product markets and companies may lack depth of management or may be vulnerable to political or economic developments such as nationalisation of key industries. Investments in companies and other entities in emerging markets or frontier markets and investments in emerging market or frontier market sovereign debt may involve a high degree of risk and may be speculative. MIAL considers that frontier markets are similar to emerging markets. However, they have smaller and fewer companies, fewer investors and less trading than emerging markets. There is also less regulation, information on companies and transparency in frontier markets. It is generally expected that frontier markets will be the next generation of emerging markets.

Risks include: (i) greater risk of expropriation, confiscatory taxation, nationalisation, social and political instability (including the risk of changes of government following elections or otherwise) and economic instability; (ii) the relatively small current size of some of the markets for securities and other investments in issuers and the current relatively low volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict a client's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; (iv) the absence of developed legal structures governing private or foreign investment and private property; (v) the potential for higher rates of inflation or hyper-inflation; (vi) currency risk and the imposition, extension or continuation of foreign exchange controls; (vii) interest rate risk; (viii) credit risk; (ix) lower levels of democratic accountability; (x) differences in accounting standards and auditing practices which may result in unreliable financial information; (xi) different corporate governance frameworks; (xii) lack of quality, timing and reliability of official data published by governments or government agencies; and (xiii) political instability due to government or military intervention in decision making, terrorism, civil unrest, extremism, hostilities between neighbouring countries and anti-western views.

The emerging markets or frontier markets risks described above increase counterparty risks for those clients invested in these markets. In addition, investor risk aversion to emerging markets or frontier markets can have a significant adverse effect on the value and/or

liquidity of investments made in or exposed to such markets and can accentuate any downward movement in the actual or anticipated value of such investments which is caused by any of the factors described above.

Emerging markets or frontier markets are characterised by a number of market imperfections, analysis of which requires long experience in the market and a range of complementary specialist skills. These inefficiencies include: (i) the effect of politics on sovereign risk and asset price dynamics; (ii) institutional imperfections, such as deficiencies in formal bureaucracies and historical or cultural norms of behaviour at the level of individual economic factors; (iii) the fact that asset classes are still developing and the information driving markets is a small proportion of the available information, and underlying development and sovereign risk fundamentals may take days, months and sometimes years to impact asset prices; (iv) liquidity imperfections and the unpredictability of market concentration; and (v) information asymmetries, most typically the result of experience and local knowledge and the fact that some market participants have access to relevant market information that others do not. MIAL may seek to take advantage of these market imperfections to achieve the investment objectives of the relevant clients. It is not, however, guaranteed that it will be able to do so at any time.

In the recent past, the tax systems of some emerging markets or frontier markets countries have been marked by rapid change, which has sometimes occurred without warning and has been applied with retroactive effect. In these countries, a large national budget deficit often gives rise to an acute government need for tax revenues, while the condition of the economy has reduced the ability of potential taxpayers to meet their tax obligations. In some cases, there is widespread non-compliance with tax laws, insufficient personnel to deal with the problem and inconsistent enforcement of the laws by the inexperienced tax inspectors.

In addition, the market practices in relation to settlement of securities transactions and custody of assets may not be as developed as in developed countries, increasing the risk of conducting transactions in those countries.

### **Legal Risk Relating to Investments in Emerging Markets**

Many of the laws that govern private and foreign investment, securities transactions, creditors' rights and other contractual relationships in emerging markets are new and largely untested. As a result, clients may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. Regulatory controls and corporate governance of companies in developing countries may confer little protection on investors. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty is also limited when compared to such concepts in developed countries. In certain instances, company management may take significant actions without the consent of investors. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on a client and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of emerging market countries in which securities are invested.

## **Risk of Errors and Omissions in Information Relating to Emerging Markets**

Companies in emerging countries are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed countries. Consequently, there is less publicly available information about an emerging country company than about a company in a developed market. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the statistics being reported.

## **Sanctions**

International sanctions and direct and indirect responses thereto are influenced by a number of factors that are beyond the control of, and very often are not able to be predicted by MIAL. Compounding the implications of the imposition of sanctions is the potential for the implementation of statutes, laws and/or regulations which may be designed to promote and/or formalize, or have the effect of promoting and/or formalizing, requirements for anti-compliance or non-compliance with one or more other countries' sanctions programs. Both the sanctions themselves as well as one or more countries' responses thereto (such as imposing their own sanctions, anti-compliance statutes or other statutory, legal, regulatory or other measures) may have a material adverse effect on clients. International sanctions may have a variety of material adverse effects and the implementation of investment strategies, including, without limitation, (a) prohibiting or otherwise directly or indirectly rendering uneconomic or impracticable transactions in certain countries and/or in certain classes of assets and/or with certain persons and/or entities, and/or (b) otherwise reducing or limiting (up to and including completely precluding) the ability of MIAL to obtain direct and/or indirect access to one or more markets, instruments, exposures or assets which are or may form part of a clients' investment programme. Affected individuals and companies may include specially designated persons or entities and other parties subject to sanctions and embargo programs implemented by the US Treasury Department's Office of Foreign Assets Control ("OFAC") or by other international, provincial, federal, state or local authorities. In addition, certain programs administered by OFAC and by other authorities prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on any lists maintained by such authorities thereby creating ambiguity and additional potential risks of non-compliance, all of which may subject clients to losses. While MIAL regularly reviews global sanctions and updates thereto to assess their implications, global economic and trade sanctions, among other things: (i) are inherently very complex, (ii) may require immediate implementation without any or sufficient opportunity for clarification and/or regulatory guidance regarding ambiguities and/or nuances implicit in the sanctions, and (iii) may require further implementing regulations, formal and informal regulatory guidance in the format of "FAQs", discussions with applicable regulators or other guidance in order to be appropriately implemented, some or all of which may change frequently (including

intra-day) and/or be unavailable by the applicable deadline(s) for implementation. Each of these factors individually and taken in aggregate may have a material adverse effect on clients.

### **Investment in China via Stock Connect**

In addition to the usual risks of investing in emerging markets there are some specific risks connected to the China Stock Connect programmes. While the economy of the People's Republic of China ("PRC") is in a state of transition, in extreme circumstances, a client may incur losses due to limited investment capabilities. A client may not be able to invest in China A-Shares (shares issued by domestic markets in mainland China in Chinese renminbi), access the PRC market through the programme, fully implement or pursue its investment objectives or strategy due to local investment restrictions, illiquidity of the PRC domestic securities market, suspension in the trading through the programme and/or delay or disruption in execution and settlement of trades. There are multiple legal frameworks involved in establishing legal title to the China A shares and there are increased operational risks involved in the servicing of the holding of the shares (e.g., processing dividend payments).

The China Stock Connect programme is subject to quota limitations applying across all participants and utilised on a first-come-first-served basis. Once the quota is exceeded, buy orders will be rejected although sell orders would not be impacted. Such quota limitations may restrict a client's ability to invest in China A shares through the China Stock Connect programme on a timely basis, and the client may not be able to effectively pursue its investment strategy.

The China Stock Connect programme is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain operational and risk management requirements. The securities regimes and legal systems of Hong Kong stock exchange and the mainland China stock exchanges differ significantly, and market participants may need to address issues arising from the differences on an on-going basis.

There is no assurance that the system of the stock exchanges and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. A Fund's ability to access the China A share market and pursue its investment strategy may be adversely affected.

To the extent that a client invests in the PRC market, a client may be exposed to the credit risk of both the Hong Kong and Chinese central securities depository and have no direct recourse in the event of suffering a loss resulting from their performance or insolvency.

### **Political and/or Regulatory Risks**

The value of the assets of clients may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

### **Limited Diversification**

At any given time, it is possible that a client's portfolio could become significantly concentrated in any one issuer, industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by the client. In addition, it is possible that MIAL may select investments that are concentrated in a limited number or type of financial instruments. This limited diversity could expose a client to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

### **Flexible Investment Approach**

MIAL has broad investment authority, and may trade in any type of security, issuer, or group of related issuers, country, region, and sector that it believes will help its clients achieve their investment objectives. MIAL may also invest in and utilize, in order to manage or mitigate risk, currency spot and forward contracts, currency and interest rate futures contracts, OTC and exchange-listed options and options on futures contracts. Additionally, the strategies that MIAL may pursue for its clients are not limited to the strategies described herein; furthermore, such strategies may change and evolve materially over time. MIAL will opportunistically implement whatever strategies, techniques and discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions. MIAL may utilize leverage, position size, duration and other portfolio management techniques as it believes are appropriate for its clients. In addition, any new investment strategy, technique and tactic developed may be more speculative than earlier investment strategies, techniques and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment. Investors will not generally be informed of any changes in MIAL's strategies, techniques, discretionary approach and tactics. There can be no assurance that MIAL will be successful in applying its approach and there is material risk that an investor may suffer significant impairment or total loss of its capital.

### **Highly Volatile Markets**

The prices of derivative instruments, including, without limitation, futures and option prices, can be highly volatile. Price movements of derivative contracts in which a client's assets may be invested by MIAL are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A client's portfolio is also subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses.

### **Leverage; Interest Rates; Margin**

MIAL may use leverage on behalf of its clients by trading on margin and/or through other direct and indirect borrowings, which at times may be substantial. The use of

leverage has attendant risks and can substantially increase the adverse impact to which a client's investment portfolio may be subject. In addition, the leverage used by MIAL will be subject to the risk that changes in the general level of interest rates may adversely affect expenses and operating results.

In general, MIAL's use of short-term margin borrowings may result in certain additional risks. For example, should the securities pledged to brokers to secure the portfolio's margin accounts decline in value, the portfolio could be subject to a "margin call," pursuant to which the portfolio must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the portfolio's assets, the portfolio might not be able to liquidate assets quickly enough to pay off its margin debt. When MIAL purchases an option in the U.S., there is no margin requirement because the option premium is paid for in full. The premiums for certain options traded on non-U.S. exchanges may be paid for on margin. Whether any margin deposit will be required for OTC options and other OTC instruments will depend on the credit determinations and specific agreements of the parties to the transaction, which are individually negotiated.

MIAL may leverage its clients' investment positions by borrowing funds from securities broker-dealers, banks or others, including pursuant to repurchase arrangements and/or deferred purchase agreements. Leverage may also take the form of, without limitation, any of the securities described herein, including derivative instruments which are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards. Such leverage increases both the possibilities for profit and the risk of loss and the volatility of an investment may be significantly greater than would otherwise be the case without leverage. Any event which adversely affects the value of an investment would be magnified to the extent that the portfolio is leveraged. Borrowings will typically be secured by the securities and other assets held by the clients. Under certain circumstances, such a lender may demand an increase in the collateral that secures a client's obligations and if MIAL were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy a client's obligations. Liquidation in that manner could have extremely adverse consequences. In addition, interest rates will typically be affected by economic factors including, without limitation, inflation, lending rates established by central banks or similar governmental agencies, availability of credit, liquidity in the markets, and the pace of economic growth. The amount of MIAL's borrowings and the interest rates on those borrowings, which will fluctuate, may have a significant effect on a client's profitability.

### **Currency Risk**

The net asset value of a client's portfolio may be computed in a particular currency of denomination of such portfolio, whereas securities for the applicable portfolio may be acquired in other currencies. The base currency value of the securities, which may be designated in any currency, may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. It may not be possible, desirable or practicable to successfully hedge against the consequent currency risk exposure in all circumstances.

## **Hedging Transactions**

MIAL is not required to attempt to hedge its client's portfolio positions. Furthermore, MIAL may not anticipate a particular risk so as to hedge against it. MIAL may utilize a variety of financial instruments (including options and derivatives), both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of a client investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains in the value of a client investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in a client portfolio; (v) hedge the interest rate or currency exchange rate on any of the liabilities or assets of a client; (vi) protect against any increase in the price of any securities MIAL anticipates purchasing at a later date; or (vii) for any other reason that MIAL deems appropriate. The success of MIAL's hedging strategy is subject to its ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the instances when MIAL hedges portfolio positions for a client is also subject to MIAL's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While MIAL may enter into certain hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a client than if MIAL had not engaged in any such hedging transactions. For a variety of reasons, MIAL may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a client from achieving the intended hedge or expose a client to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of portfolio holdings for a client.

## **Global Investments**

MIAL may invest a portion of a client's assets in securities of global companies which are traded in global markets. Investing in the securities of global companies traded in global markets involves certain considerations, including: political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in certain countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the portfolio's investment opportunities.

## **Investment in Undervalued Securities**

MIAL may seek to invest a client portfolio in securities of companies which it believes to be undervalued. However, the identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired.



## **Issuer Risk**

Investments by MIAL on behalf of clients will often include equity securities issued by companies that MIAL does not control. Such securities may be acquired by MIAL on behalf of a client through trading activities or through purchases of securities from the issuer. These investments will be subject to the risk that the company in which the investment is made makes business, financial or management decisions with which MIAL does not agree, or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve a client interest. If any of the foregoing were to occur, the value of an investment by MIAL would likely decrease.

## **Small and Mid-Capitalization Risks**

Investments in unseasoned and small and mid-capitalization companies may expose the clients to greater investment risk. Investments in the securities of these companies may present greater opportunities for growth but also involve greater risks than are customarily associated with investments in securities of more established and larger capitalized companies. The securities of less seasoned and smaller capitalized companies are often traded in the OTC market and have fewer market makers and wider price spreads, which may in turn result in more abrupt and erratic market price movements and make the clients' investments more vulnerable to adverse general market or economic developments than would investments only in large, more established companies. It is more difficult to obtain information about less seasoned and smaller capitalization companies because they tend to be less well known and have shorter operating histories and because they tend not to have significant ownership by large investors or be followed by many securities analysts. Additionally, these companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group that may lack depth and experience. Investments in larger and more established companies present certain advantages in that such companies generally have greater financial resources, more extensive research and development, manufacturing, marketing and service capabilities, more stability and greater depth of management and technical personnel.

## **Investment Selection**

MIAL may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to MIAL by the issuers of the securities or through sources other than the issuers. Although MIAL evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, MIAL not in a position to confirm the completeness, genuineness or accuracy of such information and data.

## **Competition; Availability of Investments**

Certain markets in which MIAL may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that MIAL will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant

growth in the number of firms organized to make such investments, which may result in increased competition to MIAL in obtaining suitable investments.

### **Portfolio Turnover**

MIAL's investment program for certain clients may involve frequent trading, which may result in higher investment costs and charges to those clients.

### **Execution, Market and Liquidity Risks**

MIAL, on behalf of its clients, may make investments or hold trading positions in markets that are volatile, and which may become illiquid. Timely divestiture or sale of trading positions can be impaired by decreased trading volume, increased price volatility, concentrated trading positions, limitations on the ability to transfer positions in highly specialized or structured transactions to which it may be a party, and changes in industry and government regulations. It may be impossible or costly for MIAL to liquidate positions rapidly in order to meet margin calls, redemption requests or otherwise, particularly if there are other market participants seeking to dispose of similar assets at the same time or the relevant market is otherwise moving against a position or in the event of trading halts or daily price movement limits on the market or otherwise. Furthermore, if a client incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the counterparties of a client could incur losses of their own, thereby weakening their financial condition and increasing clients' credit risk to them. Trading orders for clients may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to clients, MIAL, the counterparties of a client, brokers, dealers, agents or other service providers. In such event, MIAL might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, MIAL might not be able to make such adjustment. As a result, a client would not be able to achieve the market position targeted by MIAL, which may result in a loss.

### **Currency Exchange Exposure**

MIAL, on behalf of clients, may invest in securities denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. MIAL may or may not seek to hedge its 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 securities suitable for hedging currency or market shifts will be available at the time when MIAL wishes to use them, or that hedging techniques employed by MIAL will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of MIAL's positions in non-U.S. dollar denominated investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. Such fluctuations may result in a loss to clients.

## **Effects of Health Crises and Other Catastrophic Events**

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, that result in disrupted markets and/or interrupt the expected course of events, and public response to or fear of such crises or events, may have an adverse effect on the operations of and, where applicable, investments made by clients. For example, any preventative or protective actions taken by governments in response to such crises or events may result in periods of regional, national or international business disruption. Such actions may significantly disrupt the operations of clients, MIAL and service providers. Further, the occurrence and duration of such crises or events could adversely affect economies and financial markets either in specific countries or worldwide. The impact of such crises or events could lead to negative consequences for clients, including, without limitation, significant reduction in the value of the client's assets, reduced liquidity of the client's investments, and restrictions on the ability to value investments. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by clients in assuming these risks and, depending on the size of the loss, could adversely affect the return on investments.

## **Breaches in Information Technology Security**

MIAL maintains global information technology systems, consisting of infrastructure, applications and communications networks to support its clients as well as its own business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in MIAL's ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for clients. MIAL seeks to mitigate attacks on its own systems and those of its clients but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of MIAL's systems could disrupt its clients and its business and may cause clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention and/or reputational damage.

## **Non-Execution of Trading Orders**

The efficacy of investment and trading strategies depends largely on the ability to establish and maintain an overall market position in a combination of financial instruments. Trading orders may not be executed in a timely and efficient manner due to various circumstances, including systems failures or human error. In such event, a portfolio might only be able to acquire some but not all of the components of the position, or if the overall position were to need adjustment, a portfolio might not be able to make such adjustment. As a result, the portfolio would not be able to achieve the market position selected by MIAL and might incur a loss in liquidating its position.

## **Risks of Clearing Houses, Counterparties or Exchange Insolvency**

The liquidity of a secondary market in derivatives is subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention,

insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity, including prime brokers refusing to clear or settle any trade.

MIAL may cause the assets of its clients to be held in one or more accounts maintained for clients by counterparties, including, without limitation, its prime brokers. There is a risk that any of such counterparties could become insolvent. The insolvency of the counterparties is likely to impair the operational capabilities or the assets of MIAL's clients. If one or more of the counterparties were to become insolvent or the subject of liquidation proceedings in the U.S. (either under the Securities Investor Protection Act or the U.S. Bankruptcy Code), there exists the risk that the recovery of clients' securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer. In addition, MIAL may use counterparties located in various jurisdictions outside the U.S. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a client's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on a client and its assets. Insolvency of any of the counterparties would result in a loss to the applicable clients, which could be material.

Futures commission merchants ("FCMs") are required to segregate assets pursuant to CFTC regulations. If the assets were not so segregated by its FCM, the client would be subject to the risk of the failure of such FCM. Even given proper segregation, in the event of the insolvency of an FCM, the client may be subject to a risk of loss of its portfolio and would be able to recover only a pro rata share (together with all other commodity customers of such FCM) of assets, such as US Treasury bills, specifically traceable to the account of the client. In certain commodity broker insolvencies, customers have, in fact, been unable to recover from the broker's estate the full amount of their "customer" funds. In addition, under certain circumstances, such as the inability of another client of an FCM or the FCM itself to satisfy substantial deficiencies in such other client's account, the client may be subject to a risk of loss of the assets on deposit with the FCM, even if such assets are properly segregated.

### **Settlement Risks**

The client will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Clients should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the client in respect of investments in emerging markets. Clients should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in price.

### **Reliance on Third Party Service Providers**

Funds have no employees and the Directors have been appointed on a non-executive basis. Funds are therefore reliant upon the performance of third-party service providers for their executive functions. In particular MIAL, certain of its affiliates and the administrator will be performing services which are integral to the operation of the Funds. Failure by any service provider to carry out its obligations to the Funds in accordance with the terms of its appointment, including in circumstances where the service provider has breached the terms of its contract, could have a materially detrimental impact upon the operations of the Funds.

The success of the Funds is largely dependent upon the MIAL's skill as an investment manager and there can be no assurance that MIAL or the individuals employed by it will remain willing or able to provide advice to, and trade on behalf of, the Funds or that its trading will be profitable in the future.

### **Better Access to Information**

Many entities and/or affiliates will generally have full transparency into the activities of MIAL, including position transparency of client portfolios. Certain investors may be granted enhanced transparency rights from time to time. Such information, which may be potentially relevant to a decision to invest in or redeem interests of a client, may not be made available to all investors.

### **Business and Regulatory Risks of Private Investment Funds**

The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of MIAL to obtain the leverage it might otherwise obtain or to pursue its investment strategies on behalf of clients. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by clients. The effect of any future regulatory or tax change is impossible to predict.

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during the past decade have led to increased governmental as well as self-regulatory scrutiny of the "hedge fund" and financial services industry in general. Certain legislation proposing greater regulation of the industry, such as the Dodd-Frank Act, is considered periodically by the US Congress, as well as by the governments of non-US jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to MIAL, the markets in which it trades and invests or the counterparties with which it does business may be instituted in the future. Any such laws or regulations may materially adversely affect MIAL's ability to continue to pursue its investment objective and adhere to its investment guidelines.

Securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. Regulators and self-regulatory organizations, including but not limited to the ASIC, SFC, MAS, the SEC, the CFTC, and the FCA, and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of swaps, futures and/or

other derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental, regulatory and judicial actions.

The effect of any future regulatory change on MIAL could be substantial and adverse including, for example, increased compliance costs, the prohibition of certain types of trading and/or the inhibition of MIAL's ability to continue to pursue client investment objectives and adhere to investment guidelines.

MIAL's business is dynamic and is expected to change over time. Therefore, MIAL may be subject to new or additional regulatory constraints in the future. Such regulations may have a significant impact on clients and the operations of MIAL.

### **Limitations Due to Regulatory Restrictions**

MIAL may seek to acquire a significant stake in certain issuers of securities. In the event such stake exceeds certain percentage or value limits, MIAL may be required to file a notification with one or more governmental agencies or comply with other regulatory requirements. Certain notice filings are subject to review that requires a delay in the acquisition of the security. Compliance with such filing and other requirements may result in additional costs and may impact the ability to respond in a timely manner to changes in the markets with respect to such securities.

### **Risk of Litigation**

Clients may accumulate substantial positions in the securities of a company that becomes involved in proxy fights or other litigation or attempts to gain control of the company. Under those circumstances, clients might be named as a defendant in a lawsuit or regulatory action. In addition, the outcome of such disputes, which may affect the value of such securities, may be impossible to anticipate.

### **Trade Error Risk**

The complex execution modalities operated by MIAL and the speed and volume of trading invariably result in occasional trades being executed which, with the benefit of hindsight were not required or intended by the execution strategy or occasional trades not being executed when they should have been. To the extent an error is caused by a counterparty, such as a broker, MIAL generally attempts to recover any loss associated with such error from such counterparty. To the extent an error is caused by MIAL a formalized process is in place for the resolution of such errors. Given the volume, diversity and complexity of transactions executed by MIAL clients should assume that trade errors will occur on occasion. If such errors result in gains to the client, such gains will be retained by the client. However, if such errors result in losses, they will be borne by MIAL in accordance with its internal policies unless otherwise determined.

### **Trading Systems Risks**

Clients depend on MIAL and its other service providers to develop and implement appropriate systems for trading activities. Further, clients may rely extensively on computer

programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and/or to generate risk management and other reports that are critical to oversight of the client activities. Certain of MIAL's operations interface will be dependent upon systems operated by third parties, including prime brokers, the administrator, market counterparties and their sub-custodians and other service providers, and MIAL may not be in a position to verify the risks or reliability of such third-party systems. These program or systems may be subject to certain limitations, including, but not limited to, those caused by computer "worms", viruses and power failures. MIAL's operations are highly dependent on each of these systems and the successful operation of such systems is often out of MIAL's control. The failure of one or more systems or the inability of such systems to satisfy MIAL's new or growing businesses could have a material adverse effect on its clients. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of MIAL to monitor investment portfolio and risks.

There is a risk that any algorithmic trading systems used by MIAL or its service providers may not be able to adequately react to a market event without serious disruption. Further, trading algorithms may malfunction causing severe losses.

### **Operational Risk**

Clients depend on MIAL and its affiliates to develop appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of MIAL's operations. MIAL's business is dynamic and complex. As a result, certain operational risks are intrinsic to MIAL's operations, especially given the volume, diversity and complexity of transactions that MIAL enters into daily. MIAL's business is highly dependent on its ability as well as the ability of its affiliates to process, on a daily basis, transactions across numerous and diverse markets. Consequently, clients rely heavily on MIAL's financial, accounting and other data processing systems. The ability of such systems to accommodate an increasing volume, diversity and complexity of transactions could also constrain the ability of MIAL to properly manage portfolios. Systemic failures in the systems employed by MIAL, prime brokers, custodians, administrators, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. These and other similar disruptions in operations may cause MIAL to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.

### **Model Portfolio Services**

When providing model portfolio services to a client, MIAL makes recommendations and the client is solely responsible for making all security purchase and sale decisions for and on behalf of its own accounts or its clients' accounts. There is a potential disadvantage related to the timing of the delivery of MIAL's recommendations. A delay between a client's receipt of MIAL's recommendations and the client's execution of a particular transaction may render some or all of MIAL's recommendations obsolete due to potential market or issuer

events. In addition, MIAL may buy or sell positions in securities included in its recommendations for itself or other clients prior to, at the same time as or after the time that MIAL makes such recommendations. Such transactions could impact the prices at which a client is able to effect transactions based on MIAL's recommendations. As of the date that the transactions are executed, the recommendations may no longer reflect MIAL's ideal recommendations due to changes in market activity or MIAL's outlook.

**C. Risk Associated With Particular Types of Investment Products**

**Equity Securities**

The investment portfolio for clients may include equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and industry market conditions and general economic environments. For example, beginning in September 2008, world financial markets experienced extraordinary market conditions resulting in extreme volatility in the global equity markets.

**Preferred Securities**

MIAL may invest in preferred stock of certain companies. Preferred stock, unlike common stock, offers a stated dividend rate payable from a corporation's earnings. These dividends may be cumulative or non-cumulative, participating or auction rate. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the prices of preferred stocks to decline. Preferred stock may have mandatory sinking provisions and call/redemption provisions prior to maturity, a negative feature when interest rates decline. Dividends on some preferred stock may be "cumulative," requiring all or a portion of prior unpaid dividends to be paid before dividends are paid on the issuer's common stock. Preferred stock also generally has a preference over common stock on the distribution of a corporation's assets upon liquidation of the corporation, and may be "participating," which means that it may be entitled to a dividend exceeding the stated dividend in certain cases. Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If MIAL owns a preferred security that is deferring its distributions, MIAL may be required to report income for tax purposes although it has not yet received such income. Preferred securities are generally subordinate to the rights associated with an issuer's debt securities in terms of priority to corporate income and liquidation payments, and therefore are subject to greater credit risk than more senior debt instruments. Preferred securities may be substantially less liquid than many other securities.

**Illiquid Securities**

MIAL may invest on behalf of its clients in thinly traded or illiquid securities. Securities may be illiquid because of legal or contractual restrictions because no significant trading market has developed for them because they are interests in private investment vehicles for which no trading market exists or because they are investments in privately held companies in which no trading market exists. MIAL may find it difficult to dispose of or to obtain accurate price quotations for thinly traded or illiquid securities and it may take longer to liquidate positions in such securities than would be the case for more actively traded or liquid securities. In addition,



inactive or low volume trading markets typically experience more volatility than higher volume markets. The sale of restricted and illiquid securities often results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national Securities exchanges or in the OTC markets. The prices realized on the resale of illiquid securities could be less than those originally paid by a client and lower than the price at which similar securities which are not subject to restrictions on resale may sell.

### **Swap Agreements**

MIAL may cause a client to enter into swap agreements. These agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease a client exposure to, for example, equity securities. Swap agreements can take many different forms and are known by a variety of names. MIAL is not limited to any particular form of swap agreement if consistent with the applicable client investment objective. Whether MIAL's use of swap agreements, on behalf of its clients, will be successful will depend on MIAL's ability to select appropriate transactions for clients. Swap transactions may be highly illiquid and may increase or decrease the volatility of a client portfolio. Moreover, a client bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. A client also bears the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of clients to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect MIAL's ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

### **OTC Derivatives**

Clients may enter into OTC derivative agreements ("OTC Derivative Agreements"). These agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, OTC Derivative Agreements may increase or decrease clients' exposure to, for example, equity securities. OTC Derivative Agreements can take many different forms and are known by a variety of names. Clients are not limited to any particular form of OTC Derivative Agreements if consistent with the clients' investment objective. Whether the clients' use of OTC Derivative Agreements will be successful will depend on the MIAL's ability to select appropriate transactions for clients. Swap transactions may be highly illiquid and may increase or decrease the volatility of the clients' portfolio. Moreover, clients bear the risk of loss of the amount expected to be received under an OTC Derivative Agreement in the event of the default or insolvency of its counterparty. Clients will also bear the risk of loss related to OTC Derivative Agreements, for example, for breaches of such agreements or the failure to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect clients' ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

## Derivative Instruments Generally

MIAL may cause a client to use futures, options, swaps and other derivatives for investment purposes, for efficient portfolio management and to enhance investment performance. MIAL's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including: (i) dependence on MIAL's ability to predict movements in the price of securities being hedged and movements in interest rates; (ii) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies; (iii) the absence of a liquid market for any particular instrument at any particular time; (iv) the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty; (v) possible impediments to effective portfolio management or the ability to meet repurchase requests or other short-term obligations because of the percentage of a client assets segregated to cover its obligations; and (vi) the degree of leverage inherent in futures trading, *i.e.*, the low margin deposits normally required in futures trading means that futures trading may be highly leveraged. Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a client.

For some clients, in rare circumstances, investments may be highly concentrated in a small number of derivative positions. Such a concentration of investments would magnify the risks associated with the particular derivative positions.

These instruments may produce an unusually or unexpectedly high amount of losses. In addition, MIAL may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of its clients and believed by MIAL to be legally permissible. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which clients may participate is evolving, and changes in the regulation or taxation of such securities may have a material adverse effect on clients.

Derivatives are highly specialized instruments that require investment techniques and risk analyses that are often different from those associated with the underlying securities to which they relate. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

Liquidity risk exists when a particular derivative is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

Because the markets for certain derivatives are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances. Upon the expiration of a particular contract, MIAL may wish to retain a client position in the derivative by entering into a similar contract but may be unable to do so if the counterparty to the original contract is

unwilling to enter into the new contract and no other suitable counterparty can be found. MIAL's ability to use derivatives may also be limited by certain regulatory and tax considerations.

When managing a client exposure to market risks, MIAL may from time to time use forward contracts, options, swaps, credit default swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices. The success of any hedging or other derivative transactions generally will depend on the ability to correctly predict market changes, the degree of correlation between price movements of a derivative instrument, the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while MIAL may cause a client to enter into a transaction in order to reduce exposure to market risks, the transaction may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases.

### **Futures Contracts**

Transactions in futures contracts carry a high degree of risk. Though the futures contract usually only requires a much smaller amount of margin to be provided in comparison to the economic exposure which the futures contract provides to the relevant investment, index, rates, currency or physical commodity, investment in a futures contract creates a "gearing" or "leverage" effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying reference investment, index, rate, currency or physical commodity can lead to a much larger proportional movement in the value of the futures contract. This may work against a client as well as work for it. Futures positions may be illiquid because, for example, many commodity 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. Futures contract prices on various commodities or financial instruments occasionally have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent MIAL from promptly liquidating unfavorable positions and subject a client to substantial losses. In addition, MIAL may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In addition, various exchanges impose speculative position limits on the number of positions that may be held in particular commodities. Trading in commodity futures contracts and options are highly specialized activities that may entail greater than ordinary investment or trading risks. Furthermore, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss.

The CFTC and U.S. futures exchanges ("Exchanges") impose limits referred to as "speculative position limits" on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contract traded on the Exchanges. The CFTC also recently adopted position limits on certain physical commodity swaps. Those position limits will go into effect in 2023. Clients could be required to liquidate futures or swap positions or may not be able to fully implement its trading strategies in order to comply with position limits. Futures are highly volatile and are subject to occasional rapid and substantial fluctuations. The profitability of a client may depend on the ability of MIAL to predict these fluctuations accurately.

### **Forward Contracts and Currency Transactions**

MIAL may deal in forward foreign exchange contracts between currencies of different countries and multi-national currency units and options on currencies and on currency futures contracts for hedging or speculation. With respect to forward currency contracts, this is accomplished through contractual agreements generally to purchase or sell one specified currency for another currency at a specified future date and price determined at the inception of the contract. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; 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. For example, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the dealer or counterparty being contracted with to fulfill its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which MIAL has a forward contract. Although MIAL seeks to trade with reliable counterparties, failure by a counterparty to fulfill its contractual obligation could expose a client to unanticipated losses. 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. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any currency market traded by MIAL due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which MIAL would otherwise recommend, to the possible detriment of a client. Market illiquidity or disruption could result in a major loss to a client.

### **Nature of Certain Investments**

There is generally no limitation on the size or operating experience of the companies in which MIAL may invest on behalf of its clients. Some small companies in which MIAL may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may

face intense competition from larger companies and entail a greater risk than investment in larger companies.

### **Investments in Initial Public Offerings**

MIAL may cause a client to invest in initial public offerings. Such investments offer the opportunity for significant appreciation; however, they are speculative and involve a high degree of risk. It is characteristic of the initial public offerings market that certain companies may be extremely successful, while a much higher percentage of newly-public companies fail. Thus, the risk of investing in initial public offerings is substantially greater than investing in the stock market as a whole.

### **Investments in Special Purpose Acquisition Companies**

Special purpose acquisition companies ("SPACs") are subject to significant "event risk." That is, a SPAC's success depends on its ability to identify and close a transaction within a relatively short period delimited in its charter. If a SPAC fails to close a transaction within that period it is typically required to liquidate and dissolve. Upon such dissolution the holders of common stock receive a fixed distribution from a trust established to hold initial public offering proceeds, and the warrants will expire worthless. Therefore, clients may expect from time to time to suffer complete losses of its investments in certain SPAC warrants.

### **Investments Longer than Term**

The Funds may make investments which may not be advantageously disposed of prior to the date that the Funds will be dissolved. Although MIAL expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the time frame in which the winding up of the assets and the final distribution of proceeds to the investors will be completed.

IT IS CRITICAL THAT INVESTORS REFER TO THE APPLICABLE GOVERNING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF THE MATERIAL RISKS INVOLVED IN AN INVESTMENT IN THE FUNDS AND MANAGED ACCOUNTS AND MANAGED ACCOUNTS, INCLUDING THE RISK OF FINANCIAL LOSS. THE INFORMATION CONTAINED HEREIN IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY SUCH DOCUMENT.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

There are no legal or disciplinary events relating to MIAL that are material to a client's or prospective client's evaluation of MIAL's advisory business or the integrity of MIAL's management.

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

**A. Broker-Dealer Registration Status**

Neither MIAL, nor any of its management persons, is registered as a broker-dealer and MIAL does not have any application pending to register with the SEC as a broker-dealer. MIAL utilizes the sales team of its affiliate, Man Investments Inc. ("MII"), to assist in the marketing of its investment services in the US. MII is a limited purpose broker-dealer registered with the SEC and a member of Financial Industry Regulatory Authority, Inc. ("FINRA"). MII acts as solicitor, selling agent and/or investor servicing agent for certain MIAL clients and Funds for which it may be compensated as agreed between MIAL and MII.

**B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status**

Neither MIAL, nor any of its management persons, is a commodity pool operator or commodity trading adviser and is not registered with the Commodity Futures Trading Commission nor is it a member of the National Futures Association.

**C. Material Relationships or Arrangements with Industry Participants**

MIAL is affiliated and under common control with the following New York based entities: GLG LLC, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA; FRM Investment Management (USA) LLC ("FRM USA"), an investment adviser registered with the SEC and a commodity pool operator and commodity trading adviser registered with the CFTC and a member of the NFA; Man Solutions (USA) LLC, an investment adviser registered with the SEC, Silvermine Capital Management LLC an investment adviser registered with the SEC and Man Investments Inc., a limited purpose broker-dealer registered with the SEC and member of FINRA which provides placement agent services to certain of the Funds as well as marketing and sales services to MIAL. In addition, MIAL is affiliated and under common control with Numeric Investors LLC, based in Boston, MA which is an investment adviser registered with the SEC, a commodity pool operator registered with the CFTC and a member of the NFA; and Man Global Private Markets (USA) Inc., based in Charlotte, NC which is an investment adviser registered with the SEC. MIAL is also affiliated and under common control with GLG Partners Hong Kong Limited, licensed by the Hong Kong Securities and Futures Commission; Man Asset Management (Ireland) Limited an investment adviser regulated by the Central Bank of Ireland; and Man Asset Management (Cayman) Limited, a manager regulated by the Cayman Islands Monetary Authority.

MIAL is also affiliated and under common control with the following London based entities which are authorized and regulated by the Financial Conduct Authority: GLG Partners LP, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA; Man Solutions Limited, an investment

adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA; Man Fund Management UK Limited; AHL Partners LLP, an investment adviser registered with the SEC, a commodity pool operator and commodity trading advisor registered with the CFTC and a member of the NFA; and Man Global Private Markets UK Limited, an investment adviser registered with the SEC.

FRM USA may, on behalf of their clients and/or funds, invest in the Funds advised or sub-advised by MIAL or its affiliates. Nevertheless, FRM USA undergoes the same due diligence process for investments it considers in Funds advised by MIAL as it would for unaffiliated funds. In addition, from time to time MIAL provides sub-advisory or other investment management services to clients of Man Solutions Limited. Man Solutions Limited is an affiliated investment adviser which provides customized portfolios to its clients across strategies managed by its affiliates, including MIAL.

MIAL, its affiliates and its personnel serve as investment advisers and investment managers to multiple pooled investment vehicles and managed accounts. MIAL may manage accounts on behalf of its affiliates alongside its clients. MIAL, its affiliates and its personnel may take action or give advice with respect to certain clients and accounts that differs from the advice given to other clients and accounts. Specifically, there may be times whereby the advice given to clients and accounts is opposite of the advice given to other clients and accounts due to differences in investment strategy, redemptions/subscriptions or other factors. MIAL manages each client in accordance with its respective investment objectives and guidelines.

MIAL, its affiliates and its personnel will devote as much time to the activities of each client or account as they deem necessary and appropriate and the amount of time devoted to different clients and accounts may vary.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

MIAL does not recommend or select other third-party investment advisers for its clients.

From time to time, certain affiliates including affiliated funds seed or invest in funds to which MIAL provides investment management services. MIAL may provide investment management services to certain funds in which the invested capital is exclusively or predominantly seed capital received from MIAL affiliates; such arrangements may persist over a long period of time.

Certain personnel, including those who are part of certain Man centralized functions and those with specific investment management responsibilities, perform roles for MIAL and one or more affiliates of MIAL.

MIAL may provide aspects of its systems, know-how, analyses and certain models to its affiliates.



Potential and actual conflicts of interest may arise from the relationships and activities described above. MIAL has established policies and procedures to monitor and to the extent possible resolve conflicts of interest and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems appropriate and equitable to the extent possible under the prevailing facts and circumstances.

MIAL may be subject to conflicts of interest from time to time in performing its respective duties to Funds and managed accounts. Any such conflict of interest could have a material adverse effect on clients.

When a conflict of interest arises, MIAL will endeavor to ensure that the conflict is resolved or managed appropriately and fairly. Furthermore, MIAL has substantial incentives to see the assets of clients appreciate in value and merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of clients.

MIAL is permitted to manage and/or advise other managed accounts and funds, some of which may have objectives similar to those of its existing clients, including without limitation other funds or accounts in which MIAL or its affiliates may have an interest.

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

**A. Code of Ethics**

MIAL strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, MIAL has adopted a Global Code of Ethics (the "Code") that is supplemented by additional policies and procedures that are designed to reinforce its institutional integrity, and to set forth procedures and limitations which govern, amongst other matters, the personal securities transactions of its employees. The Code was developed to promote the highest standards of behavior and to ensure compliance with all applicable regulations.

The Code applies to all MIAL employees. The Code contains policies and procedures that, among other things:

- Require employees to observe fiduciary duties owed to clients;
- Prohibit employees from taking personal advantage of opportunities belonging to clients;
- Prohibit trading on the basis of material nonpublic information;
- Require employees to comply with anti-money laundering requirements;
- Place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to such trading with the exception of certain security types;
- Impose limitations on the giving or receiving of gifts and entertainment;
- Restrict employee outside business activities;
- Require employees to disclose family members' business activities that may present a conflict;
- Require pre-clearance on political contributions; and
- Prohibit disclosure by employees of confidential information of MIAL and its clients.

Employee personal trades in securities covered by the Code are monitored by the Chief Compliance Officer or designee and governed by the procedures set forth in the Code. Employees may from time to time have proprietary investments in which clients advised or sub-advised by MIAL also take a position, may trade and invest simultaneously with such clients, and may take investment positions that are different from or opposite to the positions taken by such clients. In general, all personal securities transactions (except for unaffiliated US open-ended mutual funds, US Treasury securities, or other permitted investments listed in the Code) are subject to pre-clearance by Compliance. A copy of MIAL's Code is available to clients and prospective clients upon request by contacting [allincompliance@man.com](mailto:allincompliance@man.com).

Furthermore, MIAL has adopted procedures to prevent and detect misuse of material nonpublic information. Specifically, MIAL's procedures prohibit any employee from trading, either personally or on behalf of others (such as client accounts advised or sub-advised by MIAL), while in possession of material nonpublic information, and prohibit employees from communicating material nonpublic information to others in violation of the law.

From time to time, as part of its business activities or otherwise, MIAL or its affiliates may come into possession of material non-public information concerning specific issuers. Under applicable laws and MIAL's policies and procedures, this may limit MIAL's flexibility to buy or sell securities of such issuers, or other financial instruments linked to such issuers.

MIAL's clients are subject to Man's Global Banned Weapons Policy, which is designed to ensure compliance with a number of conventions and relevant laws that have been implemented globally to ban the manufacture, supply and distribution of anti-personnel landmines, cluster munitions, biological weapons, chemical weapons, blinding laser weapons and non-detectable fragments. This may limit MIAL's flexibility to buy or sell securities of issuers that, among a range of other activities, are involved in banned weapons for its clients.

MIAL and its affiliates are subject to certain position limits, including commodities. Under applicable laws and internal procedures, this may limit MIAL's flexibility to buy certain futures contracts or derivatives thereon.

Related persons and personnel of MIAL and its affiliates (the "Advisory Affiliates") may invest in or have a financial interest in the Funds and may not invest in all such Funds. It is expected that the size of these investments or the financial interest will change over time. Potential conflicts may arise due to the fact that the Advisory Affiliates may have investments or financial interests in some Funds but not in others or may have different levels of investments or financial interests in various Funds, and because the Funds may pay different levels of fees.

In addition, certain Advisory Affiliates may from time to time make personal investments in securities or financial instruments which may be appropriate for, may be held by, or may fall within client investment guidelines. Such Advisory Affiliates may buy, sell, or hold securities or other financial instruments for their own accounts while entering into different investment decisions for one or more clients. These activities may adversely affect the prices and availability of securities or financial instruments held by or potentially considered for one or more clients.

From time to time, MIAL or the Advisory Affiliates may form and manage additional pooled investment vehicles and advise other client accounts with similar or different investment strategies as the Funds or managed accounts currently advised or sub-advised by MIAL. It may be appropriate for more than one Fund or managed account advised by MIAL to trade in the same securities at the same time. MIAL has policies and procedures to manage the conflicts of interest in connection with such trades.

**B. Securities in which the Investment Adviser or a Related Person Has a Material Financial Interest.**

**1. Cross Transactions and Principal Transactions**

Cross transactions may be effected on behalf of clients in connection with portfolio rebalancing or other situations such as cash flow events, among others. Such cross transactions may be arranged through a broker and effected at an independently verifiable contemporaneous mid-price where such can be ascertained. For cross trades involving securities which do not trade on an exchange or venue, to the extent possible, quotes are sourced from different brokers. Commissions may or may not be charged for cross trades. MIAL receives no fee or compensation in connection with such activity and seeks to comply with the requirements of the Advisers Act or other applicable law for cross trades whether agency or principal. A determination will be made as to whether a cross transaction is appropriate for a given client or in a given transaction and in accordance with any client or regulatory restrictions. Each cross transaction will be performed consistently with MIAL's policies and procedures.

To the extent that a cross transaction may be viewed as a principal transaction, MIAL will comply with the requirements of Section 206(3) of the Advisers Act with respect to any US client or Fund, including that MIAL will notify the applicable client in writing of the transaction and obtain the client's consent.

MIAL does not consider cross transactions between clients that inadvertently match on an exchange or venue as a result of investment decisions taken by MIAL and, where applicable its affiliates as cross transactions or principal transactions.

**2. Allocation of Investment Opportunities**

MIAL provides discretionary investment advice and/or management services to Funds or client accounts (each an "Account") that may seek to invest in the same investment opportunities. In addition, MIAL affiliates provide investment advice to multiple client accounts that may seek to invest in the same investment opportunities as MIAL's clients. This will create potential conflicts and potential differences among Accounts, particularly where there is limited availability or limited liquidity for those investments. MIAL has developed policies and procedures that provide that investment opportunities will be allocated and purchase and sale decisions will be made among these Accounts in a manner that is considered to be reasonable and equitable and in a manner that is consistent with each Account's investment objectives and guidelines.

MIAL may determine that an investment opportunity or particular purchases or sales are appropriate for one or more Accounts, but not for other Accounts, or are appropriate for or available to certain Accounts but in different sizes, terms, or timing than is appropriate for others. MIAL will make allocations for Accounts of such investments with reference to numerous factors including, without limitation, MIAL's perception of the appropriate risks and rewards for each Account, investment objectives and guidelines of each Account, leverage of each Account, the liquidity of the Account at the time of the investment and on a going-forward basis, risk parameters for each Account, and regulatory restrictions affecting the client; in the

case of new offerings (initial or secondary) additional factors as determined by MIAL may be relevant such as the size of the new offering and such other factors as are relevant in the judgment of MIAL. Although allocating orders among Accounts may create potential conflicts of interest because of the interests of MIAL, its affiliates or its employees or because MIAL may receive greater fees or compensation from Account over another, MIAL will not make allocation decisions based on such interests or greater fees or compensation. Allocation among Accounts in any particular circumstance may be more or less advantageous to any Account. In addition, transactions in investments by multiple Accounts may have the effect of diluting or otherwise impairing the values, prices or investment strategies of an individual Account, particularly, but not limited to, in small capitalization, emerging market, or less liquid strategies. Therefore, the amount, timing, structuring, or terms of an investment by some clients may differ from, and performance may be lower than, investments and performance of other clients.

In addition, MIAL's affiliate(s) may acquire securities or other financial instruments of an issuer for one Account that are senior or junior to securities or financial instruments of the same issuer held by, or acquired for, another Account (e.g., one Account may acquire senior debt while another Account may acquire subordinated debt). Furthermore, MIAL may pursue investment strategies for certain Accounts that may have different objectives and, in some cases, may conflict with the investment strategies of other Accounts. MIAL recognizes that conflicts may arise under such circumstances and will endeavor to treat all Accounts fairly and equitably.

### 3. **Valuation**

Each managed account is responsible for its own valuation of assets which typically a third-party custodian may provide. To the extent requested, MIAL will provide managed account clients with information that may assist in the valuation of assets. However, MIAL will not be responsible for the valuation of managed account assets.

For MIAL Funds, valuation policies and procedures have been established that seek to establish a consistent framework and methodology for the determination, validation, approval, regular monitoring and review of pricing all positions of each Fund. The Fund's directors have appointed an Independent Pricing Committee (the "IPC") to undertake certain services concerning the valuation policies and procedures relating to each Fund. The IPC is an independent body set up to: (1) establish a pricing matrix (a table which lays out a pricing source for certain assets and liabilities) which the directors will decide whether to adopt for the Fund and if so will thereafter be used by the administrator to calculate the value of the assets and liabilities held by the Fund; and (2) establish the prices of any positions held in the Fund that do not have an independently ascertainable value as per the pricing matrix. In addition, the IPC provides general governance and oversight of the valuation process.

### C. **Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients**

The Code of Ethics places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to MIAL on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Subject

to certain exceptions, MIAL's employees may not engage in personal securities trading without pre-clearance. Accordingly, under certain circumstances, MIAL, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of clients.

MIAL, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that MIAL and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds.

MIAL has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code of Ethics, as described above, and controls regarding employee transactions for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

#### **D. Conflicts of Interest Created by Contemporaneous Trading**

MIAL manages investments on behalf of a number of Accounts. Certain Accounts have investment strategies that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of MIAL to allocate investment opportunities among all Accounts fairly, to the extent practical and in accordance with each Account's applicable investment strategies, over a period of time. MIAL will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any Account solely because MIAL purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to another Account if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the Account.

To the extent applicable, allocations of initial public offerings or other limited offerings ("Limited Offering") by MIAL will be made in a fair and equitable manner among eligible Accounts. Allocations will be made among Accounts eligible to participate in a Limited Offering taking into account factors such as long-term investment horizons, investment objectives and guidelines, different levels of investment for different strategies, the overall portfolio composition for each Account, and such other relevant factors. Eligibility to participate in a Limited Offering may include but is not limited to consideration of the following factors: (i) Accounts whose investment guidelines explicitly prohibit such investment, (ii) "restricted persons" under the FINRA New Issues Rule 5130 or an executive officer or director of a public company or a covered non-public company, or a person materially supported by such an executive officer or director, as contemplated under FINRA New Issues Rule 5131, (iii) suitability requirements, (iv) account investment strategy and risk profile, (v) size of the offering, and (vi) available investable capital.

MIAL or its affiliates may take inconsistent positions in the same security or trade in opposite directions as a result of rebalancing or different investment strategies. This will result in potential conflicts of interest. MIAL strives to ensure that all clients are treated fairly and equitably.

**ITEM 12**  
**BROKERAGE PRACTICES**

**A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

MIAL will place orders for the execution of transactions for Accounts via a centralized trading desk and in doing so, it will seek best execution in accordance with its Best Execution Policy which takes into account a number of factors which may include, among other things, commission rates (and other transactional charges), price, the broker's financial strength, ability to commit capital, stability and responsibility, reputation, reliability, overall past performance of services responsiveness as well as means of communication, ability to execute trades based on the characteristics of a particular trade, technology and trading systems, trading activity in a particular security, block trading and block positioning capabilities, depth of available services, arbitrage operations, bond capability and options operations, access to certain markets, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions, order of call, back office, settlement processing and special execution capabilities, efficiency and speed of execution, and error resolution. Accordingly, while the centralized trading desk will endeavor to achieve best execution; it may not be the case that we will receive the best possible results on each and every transaction as there are a variety of factors, a number of which lie outside our control that may impact execution quality.

Rigid formulas are not used in selecting brokers, but rather a combination of factors is considered. There is, however, no direct correlation between these factors and the allocations of brokerage for Accounts advised or sub-advised by MIAL. Because of the range of factors considered, it is possible that MIAL's clients may pay brokerage commissions in excess of that which another broker might have charged for effecting the same transaction. A good faith determination is made to ensure that the amount of commission is reasonable in relation to the value of any products and services received, the broker's execution ability, and other factors. MIAL may at times participate in "give-ups" for certain OTC derivatives.

*Centralized Trading and Financing Desk*

MIAL delegates its order handling and execution responsibilities to the centralized trading desk and cash management to a centralized financing desk. In doing so MIAL ensures that the delegates comply with any client restrictions as well as MIAL's policies and procedures relating to order handling and execution responsibilities. MIAL believes that such delegation is consistent with its obligations and is in the best interests of its Accounts.

**1. Payment of Research**

MIAL separates execution commission from any investment research payments.



MIAL engages the services of various external third party research providers to assist it with its portfolio management activities. Where research goods and services are provided, payment is effected using one or more of the following methods:

- from its own resources; or
- from a Research Payment Account ("RPA") funded through a transactional or accounting payment method.

Not all clients of MIAL have deployed a RPA as a means of purchasing third party research material; some will have their research needs paid by MIAL or an affiliate. The consumption of research across clients using an RPA ("RPA Accounts") may not be evenly distributed and may differ on a needs basis.

MIAL will only pay for third party research materials and services that concerns one or several financial instruments or other assets; or the issuers or potential issuers of financial instruments; or is closely related to the specific industry or market such that it informs views on financial instruments, assets or issuers within that sector and:

- implicitly or explicitly recommends or suggest an investment strategy and provides a substantiated opinion as to the present or future value or price of such instruments or assets; or
- contains analysis and original insights and reaches a conclusion based on new or existing information that could be used to inform an investment strategy or capable of adding value to investment decisions.

Research payments will not be linked to the volume or value of transactions executed on their behalf. The organisation or facilitation of corporate access meetings is not considered a research service and, as such, any charges for such services will not be paid for by RPA Accounts. A Research and Data Oversight Committee has been established and is charged with setting fund research budgets on an annual basis. It is also responsible for ensuring the fair allocation of costs for research materials across benefiting clients. The allocation of research payments is based on MIAL reasonable assessment of the need for third party research consumption to enhance its portfolio management trading decisions. The allocation of research payments across clients will be reviewed by the Research and Data Oversight Committee. All payment requests to RPAs will be recorded alongside the methodology of how the amounts have been determined.

The Research and Data Oversight Committee is responsible for ensuring comprehensive and accurate disclosures are made available as required.

Third party research materials and services received as described above are within the types of products and services under the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934 (as amended) as it relates to MIAL US Clients.

During 2022, research services paid via an RPA generally included information on the economy, industries, groups of securities, individual companies, statistical information, political and legal developments affecting portfolio securities, technical market action, pricing

and appraisal services, and bespoke risk measurement analysis. Such research services were received primarily in the form of written reports, telephone contacts, and meetings with research analysts or research-related staff. Research services may be provided by providers including sell side firms and third-party independent research providers.

If a product or service obtained provides both research and non-research assistance to MIAL (i.e., a "mixed use item"), MIAL will make a good faith effort to determine the relative proportion of the product or service used to assist MIAL in carrying out its investment decision making responsibilities, and the relative proportion used for administrative or other non-research purposes. The proportionate amount of the product or service that is used to assist MIAL in carrying out its investment decision making responsibilities will be paid via the methods mentioned above. A proportionate amount attributable to administrative or other non-research purposes will be paid for by MIAL from its own resources. In making good faith allocations of costs between administrative benefits and research services, a conflict of interest may exist by reason of MIAL's allocation of the costs of such benefits and services between itself and its clients.

MIAL may share products and/or services with certain of its affiliates to be used in servicing such affiliate's clients. MIAL may also receive products and/or services from such affiliates that it will use in servicing its clients.

2. **Brokerage for Client Referrals**

MIAL does not consider capital introduction and marketing assistance with respect to investors in the Funds when selecting or recommending broker-dealers for the Funds. However, MIAL's affiliate, MII, may be invited to capital introduction events as a result of the relationship MIAL and its affiliates have with such broker-dealers.

3. **Directed Brokerage**

Generally, MIAL does not engage in directed brokerage. However, in circumstances where it receives specific instructions from an Account regarding the use of specific brokers for account transactions, for example in relation to an approved broker list it will consider that it has discharged its best execution obligation when executing orders in accordance with those specific instructions. It is the client's responsibility to evaluate such brokers when providing such instruction.

Broker or counterparty restrictions imposed by clients may limit the ability for MIAL to take the steps designed to obtain the best possible result for the execution of those orders in respect of any element of the order covered by those instructions.

**B. Order Aggregation**

Account orders may be aggregated if in the portfolio manager's or trader's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the other Accounts based on an evaluation that they will be benefited by relatively better purchase or sale prices or beneficial timing of transactions, or a combination of these and

other factors. It should be noted that only orders considered by a single portfolio manager or trader may be subject to aggregation. There may be times where more than one trader is placing an order for the same security and such orders are not aggregated. In many instances, the purchase or sale of financial instruments for an Account will be effected simultaneously with the purchase or sale of similar financial instruments for other Accounts. When an aggregated order is filled through multiple trades with the same broker at different prices on the same day, each participating Account will typically receive an average price with transaction costs allocated pro-rata based on the size of each Account's participation in the order (or actual allocation such as in the case of a partial fill) as determined by MIAL. It should be noted that aggregated transactions may be made at slightly different prices, due to the volume of financial instruments purchased or sold. In the event of a partial fill, allocations will generally be made *pro rata* based on the initial order, but may be modified on a basis that MIAL deems to be appropriate, including for example, in order to avoid odd lots or *de minimis* allocations among other factors. When aggregating orders, MIAL will seek to mitigate any potential disadvantage that order aggregation may have. However, there is no guarantee that a benefit will be derived from order aggregation and it is possible that clients may be disadvantaged as a result of order aggregation and pro rata trade allocation. Accounts with specific restrictions or instructions (e.g., approved brokers list or counterparty restriction) may not be included in aggregated trades. Orders for any Funds which are seeded by affiliates of MIAL or testing accounts will be subject to the same allocation procedures as those applicable to client accounts.

**C. Trade Error Policy**

In the event that there is an error with respect to trades made on behalf of clients, a formalized process is in place for the resolution of such errors. MIAL will correct such error in accordance with its policies and procedures. If MIAL, in its sole discretion determines that a client should be reimbursed as a result of a trade error caused by MIAL, interest will generally not be paid on such losses.

## **ITEM 13**

### **REVIEW OF ACCOUNTS**

#### **A. Frequency and Nature of Review of Client Accounts or Financial Plans**

MIAL's portfolio management team, including portfolio managers and analysts are primarily responsible for reviewing Accounts and do so individually or in a group, depending upon account needs and market conditions. The portfolio management team, individually or in a group, performs daily, weekly, or monthly reviews of all Accounts as they deem appropriate or as otherwise required. Reviews may be undertaken because of changes in market conditions; change of security positions; changes in investment objectives or policies; capital inflows/outflows; and other reasons. Various matters may be discussed during such reviews, (e.g., performance of accounts in connection with investment objectives, portfolio construction, risk/reward, security positions, and investment opportunities). In addition to the reviews performed by the portfolio management teams, the Portfolio Risk team reviews portfolios for adherence with client guidelines on a daily basis.

#### **B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

A review of an Account may be triggered by changes in market conditions; change of security positions; changes in investment objectives or policies; capital inflows/outflows; and other reasons, including for reasons not yet identified by the portfolio management team.

#### **C. Content and Frequency of Account Reports to Clients**

The requirements for frequency and content of reports will be set forth in the documents for each Account.

Investors in the Funds generally receive estimated and final monthly statements, as applicable, generally showing account values, changes in account values, account activity, asset allocation, currency exposure and performance. As applicable, investors in private funds also generally receive audited financial statements prepared within either 90 days or 120 days, depending on regulatory requirements, of the applicable fund's fiscal year end.

While all investors generally receive similar information, to the extent an investor receives additional information (that other investors have not received), which is in addition to information provided in a Fund's regular reports to investors, such information may provide such investor with greater insight into the Fund's activities. This may enhance such investor's ability to make investment decisions with respect to a Fund and possibly affect such investor's decision to request redemption from such Fund.

Affiliated investment advisers that invest in MIAL Funds will receive information with greater transparency on such Fund that may not otherwise be made available to other investors.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

**A. Economic Benefits for Providing Services to Clients**

MIAL does not receive economic benefits from non-clients for providing investment advice and other advisory services.

**B. Compensation to Non-Supervised Persons for Client Referrals**

From time to time, MIAL and/or its affiliates may utilize third party placement agents or solicitors that receive compensation, which may be borne either by MIAL or its affiliates or by the investor or client, for referring the client to MIAL or investors to the Funds. Compensation may be in the form of a percentage of management fees or performance fees, a flat fee or as otherwise agreed. MIAL or its affiliates may benefit from the arrangements where clients are referred directly to it and/or investors are referred directly to a Fund, since the management fees are generally based upon a percentage of such client's assets under management. Thus, the more assets MIAL or its affiliates has under management, the higher the management fee income. If applicable, any such arrangement with a third-party solicitor will comply with the Advisers Act.

MII, a US based affiliate of MIAL, acts as a solicitor for managed accounts and the selling agent and/or investor servicing agent for certain Funds. MII may receive a percentage of a Fund's management fee to act as selling agent and or investor servicing agent. In addition, MII has entered into agreements with other broker-dealers and certain financial advisers to solicit interests in Funds and/or to provide ongoing investor services and account maintenance services to investors. Each such broker-dealer and financial adviser generally receives compensation based on the aggregate value of outstanding interests held by investors that receive services from such persons, fixed amounts or other agreed upon compensation. Such compensation generally will be paid by MII from the fees that it receives from a Fund or MIAL.

In addition, MIAL has entered into an agreement with its affiliate, Man Investments AG ("MIAG"), an entity based in Switzerland that is registered with the Swiss Financial Market Supervisory Authority, to market MIAL services in jurisdictions outside of the U.S. and Canada. MIAL Funds may also enter into a distribution agreement directly with MIAG to sell Fund interests to non-U.S. persons. MIAG may contract with other affiliates to market MIAL's services and sell Fund interests in jurisdictions outside of the U.S and Canada.

## **ITEM 15 CUSTODY**

To the extent applicable, with regards to its U.S. private funds, MIAL is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). In accordance with the Custody Rule each U.S. private fund complies with the provisions of the "Pooled Vehicle Annual Audit Exception" and is subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and distributes its audited financial statements to all investors within 120 days of its fiscal year end.

Should MIAL directly debit fees from managed accounts, MIAL may be deemed to have custody as a result of such authority. In these cases, in order to comply with the Custody Rule, managed accounts will receive statements directly from the managed account's qualified custodian(s) (as defined in the Custody Rule) on at least a quarterly basis. Managed account clients should carefully review those statements regarding the investment activities and fees for the account.

## **ITEM 16**

### **INVESTMENT DISCRETION**

In general, MIAL provides discretionary investment advice and/or management services to its clients with the exception of those clients to whom it provides model portfolio services. With regards to discretionary clients, MIAL has discretion regarding all decisions and is authorized to determine and direct execution of portfolio transactions within each client's specified investment objectives, restrictions and policies. However, MIAL's discretion is subject to limits imposed as described in the applicable offering document in the case of the Funds, as applicable, and investment management agreements or other relevant documents with each client advised or sub-advised by MIAL. MIAL utilizes the investment management capabilities of GLG Partners LP and/or other affiliates in providing services to certain clients. MIAL utilizes centralized trading and financing desks to execute orders on behalf of its clients (as well as clients of its affiliates), and allocates trades, in the manner described in Item 11 herein. With regards to model portfolio services, MIAL does not have decision making or trading authority for such clients.

**ITEM 17**  
**VOTING CLIENT SECURITIES**

**A. Proxy Voting**

MIAL has adopted policies and procedures to ensure that any proxy voted on behalf of clients is voted in a manner which is in the best interests of such clients.

Proxies may be voted for clients at MIAL's discretion, where MIAL has been specifically instructed by a client to vote proxies or where MIAL is required to vote a proxy for a client (each a 'Proxy Client'). In such cases, proxies will be evaluated and voted in the best interest of the relevant Proxy Client(s). It should be noted that there may be times whereby MIAL invests in the same securities/assets while managing different investment strategies and/or client accounts; accordingly, it may be appropriate in certain cases that such securities/assets are voted differently across different investment strategies and/or client accounts, based on their respective investment thesis and other portfolio considerations. MIAL will only vote proxies on securities currently held by clients. Proxies received for securities that are loaned, on contract for difference/swap or where there is no economic interest will generally not be voted.

MIAL will endeavour to identify material conflicts of interest, if any, which may arise between MIAL and one or more issuers of clients' portfolio securities, with respect to votes proposed by and/or affecting such issuer(s), in order to ensure that all votes are voted in the overall best interest of clients. MIAL has established a Stewardship Committee to be responsible for resolving proxy voting issues when deemed necessary; making proxy voting decisions where a material conflict of interest may exist; monitoring compliance with the Global Proxy Voting Policy; and setting new and/or modifying existing policy.

MIAL has appointed, and will appoint from time to time, one or more proxy voting service companies, to provide it with proxy voting services for certain Proxy Clients. Where applicable, MIAL will generally vote proxies for the relevant Proxy Clients in accordance with MIAL's Proxy Voting Policy, specifically instructed to vote otherwise by the Stewardship Committee, or such Proxy Client.

MIAL's Proxy Voting Policy uses the Glass Lewis standard policy as the base but applies a number of additional guidelines focused on ESG standards. These guidelines target specific areas where MIAL think higher standards should be promoted.



**Key areas****MIAL Proxy Voting Policy**

<b>1. Board Gender Diversity</b>	<p>Vote against the chair of the Nomination committee wherein a company fails to meet legal requirements, nominate any women to the board, or meet the best practice standard prevalent in the market and has not disclosed any cogent explanation or plan regarding board gender diversity.</p> <p>At large cap companies, vote against the male members of the nominating and/or governance committee when there is less than 30% female representation on the board of directors.</p> <p>At small cap companies, vote against the male members of the nominating and/or governance committee when there is not at least one woman serving on the board.</p>
<b>2. Board Tenure and Refreshment</b>	<p>Vote against members of the Nomination and/or Governance committees wherein the board has an average tenure of greater than 10 years and there have been no new nominees in the last 5 years.</p>
<b>3. Executive Compensation</b>	<p>Vote against executive compensation policies wherein a company has received a Pay-for-Performance grade of 'D' or 'F' and sustainability is not an explicit consideration when determining executive pay.</p> <p>Vote against executive compensation policies if compensation is not linked to climate change (Tier 1), environmental issues (Tier 2) or sustainability (Tier 3).</p> <p>* Only applies to Canada, USA, and Australia.</p>
<b>4. Independent Auditor</b>	<p>Vote against reappointment if the auditor has been serving for longer than 20 years.</p>
<b>5. Reincorporation</b>	<p>Vote against reincorporation proposals wherein a company will be reincorporating to a tax haven and / or reincorporating offshore for tax and / or governance avoidance or to the detriment of shareholders.</p>
<b>6. Shareholder Proposals</b>	<p>Support any shareholder initiatives that request additional disclosure on behalf of a company or are otherwise socially-positive, and not conversely aimed at limiting disclosure or consideration of key issues.</p>
<b>7. Climate policy overlay on</b>	<p>Vote against if the company lacks an ESG committee, has experienced environmental / climate-related issues or concerns are</p>

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identified in relation to GHG emissions or SBTi GHG emission targets, or other related issues.

The Glass Lewis standard proxy voting guidelines can be found on Glass Lewis' website at: <https://www.glasslewis.com/voting-policies-current/>

Nevertheless, in voting proxies, MIAL takes into account what is the overall best economic interest of its Proxy Clients. MIAL maintains documentation memorializing the decision to vote a proxy in a manner different from what is stated in the relevant proxy voting guidelines.

MIAL may abstain from voting a proxy when it is determined that the cost of voting the proxy exceeds the expected benefit to the client. Documentation is maintained of all proxies that are not voted for Proxy Clients and the reasons therefor where MIAL has been instructed by the Proxy Client to vote.

Upon request, clients may receive a copy of MIAL's Global Proxy Voting Policy and/or information regarding the manner in which securities held in their account were voted by contacting MIAL at +61 2 8259 9980.

**B. Class Actions**

MIAL only participates in class actions on behalf of its clients (as authorized) to the extent possible and practical and where it believes it is in the best interests of the clients to do so. There may exist circumstances where a recovery is possible but MIAL does not believe it is in the clients' best interest to so participate. It is currently expected that in substantially all situations where MIAL is authorized to file class actions on behalf of clients, MIAL will utilize the services of a third party class actions service provider. Only current clients or Fund investors will receive any proceeds received from class action recoveries. Investors that have fully redeemed will not receive any class action proceeds. MIAL may consider a *de minimus* amount with regards to distributing any proceeds received.

MIAL may from time to time receive notification of and/or determine (as authorized) to engage and/or participate in litigation or other legal proceedings regarding investments held by clients. MIAL may participate and/or engage in those lawsuits where MIAL has made the determination that the potential benefit to its client(s) outweighs the costs of participation in the litigation. Any monies recovered as a result of any such litigation will be allocated on a pro rata or other appropriate basis to client(s) which hold/held the investment at issue. MIAL will not be responsible for reimbursing any client(s) or investor(s) who may have been invested during the period that is the subject of any litigation but had redeemed or withdrawn such investment prior to such a recovery. MIAL may consider a *de minimus* amount with regards to distributing any proceeds received.

**ITEM 18**  
**FINANCIAL INFORMATION**

MIAL is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.