del Rey Global Investors, LLC

Form ADV Part 2A

Investment Adviser Brochure

March 31, 2014

This brochure provides information about the qualifications and business practices of del Rey Global Investors, LLC ("del Rey"). If you have any questions about the contents of this brochure, please contact us at (310) 649-1230 and/or info@delreyglobal.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

del Rey is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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Item 2: Summary of Material Changes

The disclosure in various sections of this brochure differs from that contained in del Rey's last brochure, dated March 29, 2013, in order to provide details, descriptions and other required information pertaining to various new business lines and practices added during del Rey's last year of investment operations.

Item 3: Table of Contents

Item 4: Advisory Business

Firm Description

del Rey is a registered investment adviser established to provide investment advisory services to a wide variety of individual and institutional clients. del Rey was founded in 2009.

Principal Owners

del Rey is currently owned by:

- Paul J. Hechmer, founder, CEO, Chief Investment Officer and majority interest holder.
- Gerald W. Wheeler, COO and Chief Compliance Officer.
- Northern Lights Capital Partners, a private equity fund that is not involved in the operations or day-to-day management of the company, nor does it provide investment advice to del Rey or any of its clients.

Types of Advisory Services

del Rey offers investment advisory services focusing on international and global value-oriented equity investment strategies.

del Rey provides investment advisory services to a wide variety of retail and high net worth individual and institutional clients, including pension funds, trust accounts, corporations or other business entities, banks, insurance companies, governments and municipalities.

Additionally, del Rey provides investment sub-advisory services to affiliated and unaffiliated open-end investment companies registered under the Investment Company Act of 1940, as amended (the "1940 Act"), collective and/or bank investment trusts and investment companies established pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities ("UCITS")), (each, a "Fund" and collectively, the "Funds").

del Rey provides investment advice for a number of private investment funds (each a "Private Fund" or collectively, the "Private Funds").

del Rey also provides investment advisory services to institutional and individual clients through wrap fee and dual contract managed account programs (the "Managed Accounts") sponsored by broker-dealers and/or other financial intermediaries (the "Program Sponsors"). Although most services are provided on a discretionary basis, del Rey also provides certain services on a non-discretionary and model portfolio basis.

Investment Restrictions

del Rey generally tailors its advisory services to the individual needs of its clients subject to directions, guidelines and limitations imposed by the client or, in the case of a Managed Account, the Program Sponsor. Upon acceptance of the account and throughout the ongoing relationship, del Rey receives and reasonably relies on information or directions communicated by the client, Program Sponsor, adviser, broker, consultant, agent, representative or any other party acting with apparent authority on behalf of the client.

Upon engaging del Rey as investment adviser, a client selects an investment strategy that may be changed upon reasonable request to del Rey. The client may request reasonable restrictions on the management of its account, and after review and agreement, del Rey will manage the account in accordance with the agreed upon guidelines. Although del Rey seeks to provide individualized investment advice to its discretionary client accounts, del Rey will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with del Rey's investment philosophy, and del Rey may decline to accept or terminate client accounts with such restrictions.

del Rey is generally committed under normal market circumstances to a fully invested approach and under most circumstances cash or cash equivalents are not expected to exceed 10% of a client's portfolio for an extended period of time. However, if del Rey (a) determines there are an insufficient number of securities that meet del Rey's investment criteria, or (b) during periods of orderly investment of client funds, including but not limited to the initial start-up of the relationship, a client portfolio may hold outsized levels of cash reserves temporarily, or for an extended period of time for defensive purposes.

Similarly, in periods of market volatility, del Rey may be unable to invest new money contributed to an account, or proceeds from the sale of securities, as quickly as it might have been able to do under normal market conditions. Similarly, del Rey may be unable to sell securities to raise cash, or accommodate a terminating client's request to sell securities, as quickly as it might have been able to do under normal market conditions, or at favorable prices. Depending on market movements, such delays could have an adverse impact on client accounts. In such periods of market volatility, del Rey may also, when deemed advisable, deviate from its normal trading practices with respect to sequencing and allocation of transactions. Market volatility and/or the lack of attractive investment opportunities may also cause del Rey to deviate from applicable account guidelines. In such circumstances, it may be an extended period of time before the account is restored to compliance with applicable guidelines. del Rey will use reasonable efforts to restore the account to compliance with applicable guidelines in a prudent manner under the circumstances.

Except as otherwise agreed upon by del Rey and the client, del Rey does not have any responsibility for the selection of the short term investment vehicle utilized by the client. Clients, their consultants, their financial advisers or their custodians select the interest bearing accounts and/or short-term investment or money-market funds in which cash reserves are invested. del Rey also is not responsible for the selection of a client's custodian.

Securities may be sold without regard to the length of time they have been held and clients are responsible for any tax consequences of such transactions. del Rey follows the directions of a client or Program Sponsor regarding harvesting tax losses, subject to certain scope, amount and timing limitations. In providing such directions, the client or Program Sponsor is responsible for understanding the potential benefits and consequences of the directions in light of the client's particular tax situation. Daily market risk fluctuations may affect the dollar amount of gain or loss. The monetary benefit created by tax loss selling may not exceed the risk of not being fully invested during that time. Executing tax sales (and repurchases) may adversely affect performance. del Rey is not a tax advisor and does not provide advice as to the tax consequences of any transactions. Accordingly, clients should consult with their own tax advisor to review their particular tax circumstances.

Some clients may not be able to hold all types of investment securities or participate in certain corporate actions relating to portfolio holdings due to limitations or operational impediments associated with a client's custodian. del Rey therefore may not purchase certain securities or participate in certain corporate actions for some accounts where it believes it is not in the client's best interest because such impediments may have an adverse effect on del Rey's ability to manage the client's account. For example, some accounts may not be able to hold foreign securities in ordinary form because of custodial limitations. del Rey may purchase ordinary shares ("ORDs") of foreign securities in foreign markets and arrange for these ordinary shares to be converted into American Depository Receipts ("ADRs"). Fees and costs associated with the conversion and purchase of ADRs are typically included in the net price of the ADR and incurred by the purchasing account. Some portion of such costs may be attributable to local broker fees, stamp fees, and local taxes. Trades on foreign exchanges may incur greater transaction charges than trades on U.S. exchanges.

del Rey may also have difficulty liquidating certain client positions if del Rey holds a large percentage of a particular class of securities of an issuer. These securities may be illiquid due to del Rey's large ownership position and as such there may be a limited market for resale, which may adversely affect the value of the security if del Rey tries to sell all or a portion of the security.

In connection with an account termination, a client may request the liquidation of the account's portfolio securities. del Rey will generally honor such requests except where liquidation is impossible or impracticable (*e.g.*, where del Rey is unable to liquidate an illiquid security). In these instances, del Rey may deliver portfolio securities to the client in kind.

To the extent del Rey exercises discretionary authority with respect to its clients that are in the Funds and the Private Fund assets, it does so in a manner that is consistent with the investment objectives, strategies and limitations as disclosed in the Funds' Offering Documents or Private Funds' Offering Memorandum. del Rey's discretion is also subject to the oversight of the respective Fund's governing body (*e.g.*, board of directors) and may be subject to the oversight of another investment adviser. In addition, the collective investment trusts are subject to the ultimate authority and responsibility of the respective trustee and del Rey's discretion is limited to the parameters provided by and overseen by the respective trustee.

del Rey provides investment advisory services to Managed Account clients based upon the particularized needs of the client as reflected in information provided to del Rey by the Program Sponsor. Each client in a Managed Account Program in which del Rey participates generally has the ability to impose reasonable restrictions on the management of its account. In such instances and, after review and agreement, del Rey will refrain from buying certain securities or types of securities the client does not wish to own. For Managed Account Programs, del Rey will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with del Rey's investment approach.

Other Information about Management of Client Portfolios

del Rey is responsible for implementing investment decisions with respect to the investment strategy selected by an advisory client or Program Sponsor. Implementation of a client's investment strategy involves identification and selection of specific securities and investments to be purchased in light of current and anticipated economic and market conditions, taking into account guidelines, limitations and information relating to the client, legal restrictions and del Rey's internal strategy guidelines.

As a result, del Rey frequently combines orders in the same security for many client portfolios within the same investment strategy. In some circumstances, the combined order may also include client portfolios managed according to other investment strategies that are purchasing or selling the same security. After an order that includes multiple client portfolios is generated, it may take days, or several weeks in the case of less liquid securities, for the order to be executed for all client portfolios. Although an order for a specific portfolio may have been in compliance with a client's guidelines at the time order was generated, the delay in the execution of the order may result in a deviation from the client's guidelines. Moreover, the automated pre-trade compliance system that del Rey uses considers open orders for a client portfolio when it pre-clears a trade for that portfolio. Execution of less than all of the outstanding orders for a client's portfolio may result in executing orders based on information that does not represent the current position which in turn may result in a deviation from the client's guidelines.

del Rey believes that any such deviations are generally minimal and that trimming such positions to bring the portfolio under the designated limit may result in unnecessary transaction costs without incremental benefit to the client. However, in circumstances where the securities purchased in excess of the designated limit decline in value, the associated loss may be greater than it would have been had the account not exceeded its limit. Conversely, in circumstances where the securities purchased in excess of the designated limit increase in value, such increase may inure to the benefit of the account.

If a trade takes more than one (1) day to execute, del Rey may, but is not required to, rerun the order through its pre-trade compliance system if del Rey believes that doing so is in the best interest of the participating accounts. Factors that may be considered in this determination include (i) whether the order is trading-away from its limit price by what the portfolio manger considers to be a material amount, (ii) whether the order is to sell-out of the position in its entirety, and (iii) whether, and to what extent, if any, market volatility may have impacted portfolio market value such that concentration levels existing at time of order creation would have been materially dislocated.

Wrap Fee Programs

The services provided by del Rey to Managed Accounts may differ from the services provided to Institutional Accounts and other clients who do not participate in wrap fee programs. The investment strategies del Rey uses in managing Managed Accounts are similar to those offered to its institutional clients, but may involve fewer securities holdings due to smaller account sizes. Also, strategies vary among Programs.

del Rey does not have the ability to assist wrap program clients in filing class action claims or to vote a proxy proposal in a particular manner. Also, wrap program clients may not be able to purchase particular security types such as initial public offerings, ordinary shares of foreign securities, and certain fixed income transactions.

In wrap programs that permit del Rey to trade away from the wrap sponsor or its broker-dealer affiliate when such sponsor or its affiliate cannot provide best price or execution under the circumstances, del Rey may trade away from such parties. In such cases, clients may incur transaction and other costs and fees in addition to the wrap fee. Wrap fee clients generally incur mark-ups and mark-downs in securities transactions in addition to the wrap fee payable to the wrap sponsor. Some broker-dealers serving as custodian charge fees for settling transactions executed through unaffiliated broker-dealers.

In consideration for providing investment management services to Managed Accounts, del Rey receives a portion of the wrap fee paid by program participants. The management fees del Rey receives for providing investment management services to Managed Accounts are generally lower than del Rey's management fees for Institutional Accounts.

Depending upon the level of the wrap fee charged by a wrap sponsor, the amount of portfolio activity in a client's account, the value of the custodial and other services that are provided under a wrap arrangement and other factors, a wrap fee client should consider whether the wrap fee would exceed the aggregate cost of such services if they were to be provided separately. Similarly, a non-wrap fee program client paying separate fees should consider whether the fees charged by different parties for custody, advisory services, portfolio management services, securities execution and other services would exceed the aggregate cost of such services if they were provided in a wrap fee arrangement.

Clients should review all materials relating to their Managed Account Program (including Schedule H of Form ADV or program brochure of the Program Sponsor, as applicable) regarding the Managed Account Program's terms, conditions and fees, and consider the potential advantages and disadvantages and overall appropriateness of the program in light of the client's particular circumstances.

Client Assets

As of March 31, 2014, del Rey had approximately $423,945,447.16 in assets under management. This total excludes approximately $396,604,004.99 in Unified Managed Account ("UMA") assets.

Item 5: Fees and Compensation

Compensation

del Rey generally bases its fees on a percentage of assets under management.

Institutional Client Fees

The annual fee schedule for each strategy for institutional clients is as follows:

International Equity and International Equity (ADR)

First $10 million	0.90%
Next $10 million	0.75%
Next $30 million	0.65%
Over $50 million	0.575%

Minimum Account Size: $10 million

Global Equity and Global Equity ADR

First $10 million	0.85%
Next $10 million	0.725%
Next $30 million	0.625%
Over $50 million	0.525%

Minimum Account Size: $10 million

Fees, account minimums and payment terms may be negotiable.

General Information

del Rey advisory fees are typically based on a percentage of the market value of the assets under its management. del Rey generally does not charge fixed fees.

Fees may vary from the applicable schedules above based on factors such as client type, asset class, pre-existing relationship, service levels, portfolio complexity, number of accounts, account size or other special circumstances or requirements and are negotiable in some cases. Some existing clients may pay higher or lower fees than new clients. del Rey, in determining its fees, may give consideration to certain services provided to the client by a third party. Certain accounts of del Rey's employees or any of its affiliates' employees, former employees, or their family members may be managed by del Rey without an advisory fee. Related accounts may be aggregated for fee calculation purposes in certain circumstances.

When del Rey calculates fees, valuations of account assets are determined in accordance with del Rey's valuation procedures, which generally rely on third party pricing services, but may permit the use of other valuation methodologies in certain circumstances. del Rey's determinations may differ from valuations reflected in a client's custodial statements.

Advisory Fees for Funds

Fees for advisory services for Funds are separately negotiated between del Rey and the third-party or affiliated investment adviser and/or Fund. Fees are based on a percentage of assets under management. These fees are disclosed in the relevant prospectus or Offering Documents.

Advisory Fees for the Private Funds

In its capacity as investment manager to Private Funds, del Rey typically receives an annual management fee, generally paid quarterly in arrears. The management fee is described in more detail in such Fund's Offering Memorandum.

Advisory Fees for Managed Account Programs

For Managed Accounts offered through wrap fee programs, del Rey's fee is determined by agreement between the Program Sponsor and del Rey. The Managed Account Program fees typically range from 1.5%-3% of the client's annual assets under management. The Program Sponsor usually pays del Rey a monthly or quarterly fee for its investment advisory services. Fees vary by Program based on the size of the Program, services, particular investment strategy, any pre-existing business relationship with del Rey or its affiliates and other factors. Fees paid to del Rey for fully bundled wrap fee Managed Account Programs are typically less than partially bundled or unbundled arrangements (including institutional separate accounts). In a partially bundled arrangement, the client pays a fee to the Program Sponsor for trade execution through the Program Sponsor, custody and consulting services, and a separate fee to del Rey for the investment management of its account. Clients should carefully review all materials relating to their Managed Account Program regarding the program's terms, conditions and fees.

Deduction of Fees

del Rey's fees are generally paid monthly or quarterly, in advance or in arrears, as provided in the agreement with the client, based on the market value of the account(s) as specified in the investment management agreement. In addition to securities, market values generally include cash, cash equivalents, accrued dividends and other income. If an account is opened or closed during a billing period, the advisory fees are pro-rated for that portion of the billing period during which the account was open. In certain cases, fees may be deducted from client accounts as agreed upon with the client. Clients should contact their custodian for more information relating to the deduction of fees from client accounts.

Program Sponsors typically collect the total wrap fee and remit del Rey's fee to del Rey. However, under some partially or unbundled arrangements, the client may pay del Rey's fee directly, or del Rey may deduct its fee from the client account.

Other Fees and Expenses

In wrap programs that permit del Rey to trade away from the wrap sponsor or its broker-dealer affiliate when such sponsor or its affiliate cannot provide best price or execution under the circumstances, del Rey may trade away from such parties. In such cases, clients may incur transaction and other costs and fees in addition to the wrap fee, such as mark-ups or mark-downs on the transaction. In addition, a Program Sponsor may charge additional fees for settling step-out transactions. Managed Account Program clients should review all materials available from a third party sponsor concerning the Program, Program Sponsor and the Program's terms, conditions and fees.

From time to time, a client may instruct del Rey to suspend investment management services for their accounts for a period of time. del Rey may charge standard fees for all or a portion of such time to reflect the administrative costs associated with implementing such instructions.

Prepaid Fees

To the extent an Institutional Account's investment management agreement or a partially or unbundled dual contract Managed Account Program client's agreement provides that del Rey's fees are to be paid in advance, the unearned portion of such fees will be refunded to the client upon termination of the service. For fully bundled wrap fee Managed Account Programs that provide that del Rey's fees are to be paid in advance, del Rey will refund any prepaid, but unearned fees to the Program Sponsor. The Program Sponsor is then responsible for refunding fees, as applicable, to the client upon termination of the service. The refunded amount will be determined on a pro-rata basis if the service is terminated within the payment period.

Item 6: Performance-Based Fees and Side-by-Side Management

Currently, neither del Rey nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). However it may do so in the future. Some clients may receive breakpoints in their asset-based fees and such fee arrangements also create an incentive for del Rey to favor higher fee paying accounts over lower fee paying accounts in the allocation of investment opportunities.

Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

In order to ensure that no client is favored over another due to fee structure, size of account, relationship, etc., del Rey maintains policies and procedures designed to treat similarly situated clients fairly, subject to each client's individual guidelines, trading conditions and restrictions. In order to accomplish this, we have in place a trade rotation policy, which will be amended as needed to accommodate evolving business needs.

Item 7: Types of Clients

del Rey provides and can provide investment advisory services to a wide variety of retail and high net worth individual and institutional clients, including pension funds, Taft-Hartley Plans, profit sharing funds, charitable organizations, educational institutions, trust accounts, estates, corporations or other business entities, banks and thrift institutions, insurance companies, governments and municipalities.

Additionally, del Rey provides investment sub-advisory services to affiliated and unaffiliated open-end investment companies registered under the Investment Company Act of 1940, as amended (the "1940 Act"), collective investment trusts, and investment companies established pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities ("UCITS")), (each, a "Fund" and collectively, the "Funds").

del Rey provides investment advice for a number of private investment funds ("Private Funds").

del Rey provides services to these clients under direct advisory and sub-advisory mandates (the "Institutional Accounts"). In addition, del Rey provides investment advisory services to institutional and individual clients through wrap fee and dual contract managed account programs (the "Managed Accounts") sponsored by broker-dealers and/or other financial intermediaries (the "Program Sponsors"). Although most services are provided on a discretionary basis, del Rey also provides certain services on a non-discretionary and model portfolio basis ("Model Portfolio Accounts").

<u>Institutional Accounts</u>

del Rey provides advisory services to institutions and high net worth individuals through separate accounts. del Rey's investment advisory services are provided based on the stated objectives and guidelines of a client account. del Rey generally offers its separate account services for fees based on assets under management.

<u>The Funds</u>

del Rey provides investment advisory and sub-advisory services to the Funds in accordance with the terms of the prospectus, trust agreement or other governing documentation, as applicable (together the "Offering Documents").

<u>Managed Account Programs</u>

del Rey provides investment advisory services to Managed Accounts through wrap fee and dual contract managed account programs. In traditional wrap fee programs, del Rey provides its advisory services pursuant to an advisory agreement with the wrap fee program sponsor. Wrap fee programs typically include comprehensive custody, financial advisory and certain trading (provided by the program sponsor) and investment advisory services (provided by the manager) for a bundled fee payable to the sponsor ("wrap").

In a dual contract program, del Rey provides its advisory services pursuant to an advisory agreement directly with the client. A client may separately arrange with one or more third parties for custody, financial advisory and certain trading services to be provided on a partially-bundled or unbundled basis. In a partially-bundled program, certain of such services (typically custody, financial advisory, and certain trading) are provided for a bundled fee arrangement. In an unbundled arrangement, such services are contracted, provided and paid for separately.

For fully bundled wrap programs, the minimum account size is typically $250,000, although the specific minimum account size varies by program and may be as low as $100,000. For partially bundled programs, the minimum account size may be as low as $10,000,000. del Rey may raise or lower or waive minimums in certain circumstances.

For Managed Accounts, del Rey is appointed to act as an investment adviser through a process generally administered or assisted by the Program Sponsor. Under these arrangements, participating clients, generally with assistance from the Program Sponsor, may select del Rey to provide investment advisory services for their account (or a portion thereof). del Rey generally relies on the Program Sponsor to determine the suitability of a del Rey strategy for a prospective client. del Rey reserves the right to decline to manage any Managed Account. Managed Account agreements may be terminated, generally, at the written request of the client, the Program Sponsor or del Rey. In the event of termination, the investment management fee will be pro-rated.

Once appointed to serve as investment adviser to a Managed Account, del Rey provides investment advisory services based upon information provided to del Rey generally by the Program Sponsor.

del Rey generally maintains investment discretion as to which securities shall be purchased or sold in a Managed Account in a manner consistent with written information received regarding the client’s selected management style, investment objectives, policies and restrictions (if any) and the capabilities of the client’s selected custodian.

del Rey seeks to commence management of a Managed Account as soon as practicable after review of the account documentation, acceptance of its appointment as investment adviser and contribution of assets to the client’s account. The time required to commence management may vary depending on the time required to complete these steps, the efficiency of the Program Sponsor and/or other third parties, and the time required to establish an appropriate portfolio.

Clients should review the terms and conditions of their particular Managed Account Program to understand its policy regarding the investment of cash balances. Such account balances are frequently invested in money market funds managed by affiliates of the Program Sponsor. Investment of clients’ funds in money market funds may result in the payment of additional investment advisory fees to the money market fund manager that may be an affiliate of the Program Sponsor.

From time to time, the Program Sponsor may instruct del Rey to suspend investment management services for a Managed Account for a period of time. del Rey may charge standard fees for a portion of such time to reflect the administrative costs associated with implementing such instructions.

del Rey has multiple business relationships with Program Sponsors and their affiliates, including, but not limited to, brokerage and research services and product distribution arrangements.

The services provided to Managed Accounts may differ among the various Managed Account Programs. However, del Rey generally will make its representatives available for communications as reasonably requested by clients and/or Program Sponsors. Clients are encouraged to consult their own financial advisers and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager in a particular strategy and participating in a Managed Account Program.

Model-Based Programs

del Rey also participates in model-based Managed Accounts Programs. In such Programs, del Rey provides the Program Sponsor non-discretionary investment advice through model portfolios and, in certain cases, handles certain limited trading and other functions. The model-based Program Sponsor is generally responsible for investment decisions and performing many other services and functions typically handled by del Rey in a traditional discretionary Managed Account Program. Depending on the particular facts and circumstances, del Rey may or may not have an advisory relationship with model-based program clients. To the extent that this Form ADV Part 2 is delivered to Program clients with whom del Rey has no advisory relationship or under circumstances where it is not legally required to be delivered, it is provided for informational purposes only. Furthermore, because a model-based Program Sponsor generally exercises investment discretion and, in many cases, brokerage discretion, performance and other information relating to del Rey's services for which it exercises investment and/or brokerage discretion is generally provided for informational purposes only and may not be representative of model-based program client results or experience. del Rey is not responsible for overseeing the provision of services by a model-based Program Sponsor and cannot assure the quality of its services.

The recommendations implicit in the model portfolios provided to the Program Sponsor may reflect recommendations being made by del Rey contemporaneously to, or investment advisory decisions made contemporaneously for, del Rey's discretionary clients. As a result, del Rey may have already commenced trading before the Program Sponsor has received or had the opportunity to evaluate or act on del Rey's recommendations. In this circumstance, trades ultimately placed by the Program Sponsor for its clients may be subject to price movements, particularly with large orders or where the securities are thinly traded, that may result in model-based Managed Account Program clients receiving prices that are more or less favorable than the prices obtained by del Rey for its discretionary client accounts. On the other hand, the Program Sponsor may initiate trading based on del Rey's recommendations at the same time del Rey is trading for its discretionary client accounts. Particularly with large orders where the securities are thinly traded, this could result in del Rey's discretionary clients receiving prices that are more or less favorable than prices that might otherwise have been obtained absent the Program Sponsor's activity. del Rey generally seeks to minimize the market impact of the recommendations provided to the Program Sponsor on accounts for which del Rey exercises investment discretion. However, because del Rey does not control the Program Sponsor's execution of transactions for the Program Sponsor's client accounts, del Rey cannot control the market impact of such transactions to the same extent that it would for its discretionary client accounts.

Account Minimums

The institutional Account minimum for any of del Rey's investment strategies is typically $10 million. Wrap and UMA account minimums and suitability determinations are established typically by the program or platform sponsor; but these are usually around $100,000 to $1,000,000.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

del Rey is a long-term investor which implements its investment strategies through an active research-driven, fundamentals-based, value-oriented process. del Rey's investment discipline seeks to identify potential investments that trade at attractive absolute valuations, offer good downside protection/risk-reward and possess strong franchise quality.

del Rey's stock selection process is driven by bottom-up fundamental research. The stock selection process is distinguished by deep specialization, fundamental analysis and transparency. del Rey's research analysts constantly evaluate companies within their defined investable universe based upon a variety of both qualitative and quantitative criterion. Quantitative measures include price-to-earnings, price-to-book value, price to sales, price to net-present value, price-to-free cash flow, sustainable dividend yield and price to liquidation/replacement value. A qualitative analysis assists the research team in producing an understanding of franchise quality, management strength, corporate strategy, barriers-to-entry, shareholder value orientation, operating and industry fundamentals and competitive advantage. Strategic catalysts such as management change, company restructuring and industry consolidation are also identified. Additionally, del Rey continually focuses on change – in regions, countries and industries – in an effort to identify opportunities. In addition, prior to investing in a company, del Rey consider how liquid the name is both in the local market and in the U.S. if that company has an ADR.

del Rey uses a variety of sources of information to facilitate such analysis. In particular, del Rey may consult with securities analysts, selected broker-dealers, market-makers, economists, and others in formulating investment strategies. del Rey also may attend company presentations and participate in interviews and inspections of certain companies. In addition to inspections of corporate activities, del Rey may engage in discussions with management and others having business with the company or expertise in a particular industry. del Rey also regularly monitors newspapers, magazines, and industry and trade journals; websites; information and research provided by affiliated and unaffiliated analysts and consultants; corporate rating services; annual reports, prospectuses, and other SEC or governmental filings; and information published by the company, such as press releases.

General descriptions of del Rey's investment strategies are included below. These descriptions are not intended to serve as specific account guidelines. del Rey reserves the right to limit the availability of any particular strategy at any given time based on factors including capacity, pre-existing relationships, minimum account sizes, fees and distribution channels. In addition, del Rey may develop other investment strategies from time to time and manage portfolios according to a client's specific investment guidelines, thus, strategies may vary by client account. Certain strategies may be available only in certain channels or through a purchase of shares of the Funds, or the Private Funds. The descriptions of the investment strategies below are qualified in their entirety by the information provided by del Rey or a related party to their advisory clients, included in the Offering Documents, the Offering Memorandum, or included in or provided with any Managed Account Program disclosure statement. Prior to investing in any Fund or Private Fund, investors should review the relevant Offering Documents or Offering Memorandum.

The results for individual portfolios will vary depending on market conditions and the portfolio's overall composition. All investments carry a certain degree of risk including the possible loss of principal and there is no assurance that an investment will provide positive performance over any period of time. Past performance is no guarantee of future results. Clients should not assume that portfolio investments in securities will be profitable.

Investment Strategies

Clients retain del Rey to employ one or more of the firm's three proprietary investment strategies: International Equity, International Equity (ADR) and Global Equity.

> **International Equity** portfolios are invested primarily in ordinary shares ("ORDs") of foreign issuers, and may invest in other types of securities including American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and European Depositary Receipts ("EDRs"), generally with market capitalization above $1 billion at time of purchase. Generally, a country's weighting will be limited to 35% of the portfolio at the time of purchase. The portfolio may invest in securities of companies located in countries with emerging securities markets.
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> **International Value (ADR)** portfolios are invested primarily in foreign securities, primarily in the form of ADRs (as well as GDRs and EDRs), generally with market capitalization above $1 billion at time of purchase. Generally, a country's weighting will be limited to 35% of the portfolio measured at the time of purchase. The portfolio may invest in securities of companies located in countries with emerging securities markets.
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> **Global Equity** portfolios are primarily invested in domestic securities and foreign ORDs (and may invest in ADRs, EDRs and GDRs), generally with market capitalization for foreign and domestic equities over $1 billion at time of purchase. The non-U.S. individual country weightings will be generally limited to 35% of the portfolio measured at the time of purchase. Generally, less than 25% of the portfolio will be invested in securities of companies located in countries with emerging securities markets measured at the time of purchase.

Principal Risks

Investing in securities involves risk of loss that clients should be prepared to bear.

All investment programs have certain risks that are borne by the investor. del Rey's investment approach constantly keeps the risk of loss in mind. Investors face the following principal investment risks:

Convertible Securities Risk — Portfolios may invest in convertible securities, which generally are debt securities or preferred stock that may be converted into common stock. Convertible securities typically pay current income as either interest (debt security convertibles) or dividends (preferred stock). A convertible's value usually reflects both the stream of current income payments and the market value of the underlying common stock. The value of convertible securities may fall when interest rates rise. Convertible securities with longer maturities tend to be more sensitive to changes in interests rates, usually making them more volatile than convertible securities with shorter maturities.

Depositary Receipts Risk — The issuers of unsponsored depositary receipts are not obligated to disclose information that is, in the United States, considered material. Therefore, there may be less information available regarding these issuers and there may not be a correlation between such information and the market value of the depositary receipts. Depositary receipts are generally subject to the same risks as the foreign securities that they evidence or into which they may be converted.

Emerging Markets Risk — Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.

Equity Securities Risk — Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.

Expense Risk — To the extent a client is invested in a fund managed by del Rey, be advised that fund expenses are subject to a variety of factors, including fluctuations in the fund's net assets. Accordingly, actual fund expenses may be greater than those indicated.

Foreign Investments Risk — Foreign investments often involve special risks not present in U.S. investments that can increase the chances that a Portfolio will lose money. These risks include:

- ***Certain Risks of Holding Fund Assets Outside the United States*** — Portfolios generally holds its foreign securities and some cash in foreign banks and securities depositories, which may be recently organized or new to the foreign custody business and may be subject to only limited or no regulatory oversight.

- ***Currency Risk*** — Changes in currency exchange rates can affect the value of a Portfolio.

- ***Foreign Economy Risk*** — The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position.

- ***Foreign Investment Limitations*** — The governments of certain countries may prohibit or impose substantial restrictions on foreign investments in their capital markets or in certain industries.

- ***Governmental Supervision and Regulation/Accounting Standards*** — Many foreign governments do not supervise and regulate stock exchanges, brokers and the sale of securities to the same extent as does the United States and may not have laws to protect investors that are comparable to U.S. securities laws. Accounting standards in other countries are not necessarily the same as in the United States. If the accounting standards in another country do not require as much detail as U.S. accounting standards, it may be harder for Fund management to completely and accurately determine a company's financial condition.

- ***Settlement Risk*** -- Settlement and clearance procedures in certain foreign markets may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments.

Investment in Other Investment Companies Risk — As with other investments, investments in other investment companies are subject to market and selection risk. In addition, if a Portfolio acquires shares of other investment companies, closed-end funds and exchange traded funds (ETFs), shareholders bear indirectly, the expenses of the investment companies in which the Portfolio invests.

Investment Style Risk — Value investments have generally performed better during periods of economic recovery. Therefore, this investment style may over time go in and out of favor. At times when the investment style used by del Rey is out of favor, the Fund may underperform other international equity funds that use different investment styles.

Liquidity Risk — Liquidity risk exists when particular investments are difficult to purchase or sell. A Portfolio's investments in illiquid securities, which may include Rule 144A securities, may reduce the returns of a Portfolio because it may be difficult to sell the illiquid securities at an advantageous time or price. To the extent that a Portfolio's principal investment strategies involve securities with substantial market and/or credit risk, that Portfolio will tend to have the greatest exposure to liquidity risk.

Market Risk — Market risk is the risk that the value of one or more investments in which a Portfolio invests may go down in value.

Rule 144A Securities Risk — The market for Rule 144A securities typically is less active than the market for public securities. Rule 144A securities carry the risk that the trading market may not continue.

Selection Risk — Selection risk is the risk that the securities selected by del Rey as investment manager may underperform the market or other securities selected by other funds.

Small and Mid-Cap Capitalization Companies Risk — Companies with small- or mid-size market capitalizations will normally have more limited product lines, markets and financial resources and will be dependent upon a more limited management group than larger capitalized companies. In addition, it is more difficult to get information on relatively smaller companies, which tend to be less well known, have shorter operating histories, do not have significant ownership by large investors and are followed by relatively few securities analysts.

For investments in a registered investment company advised by del Rey, please consult the applicable prospectus and statement of information for a complete description of risks associated with such an investment.

Initial Public Offerings, 144As and Regulation S Securities

del Rey has adopted special allocation procedures for IPOs and secondary offerings (together, "Public Offerings") and offerings of Rule 144A and Regulation S securities. del Rey is typically allocated only a portion of any Public Offering and it typically allocates shares purchased in a Public

Offering fairly and equitably among its larger, more highly diversified institutional accounts on a pro rata basis to the extent feasible, based on suitability concerns and available cash, and in a manner that avoids comparatively small allocations. del Rey will not allocate Public Offerings to wrap, UMA or other types of retail-oriented accounts. Other restrictions may apply to these purchases. del Rey will allocate securities acquired in a 144A offering, typically on a pro rata basis to the extent feasible, only to accounts that are Qualified Institutional Buyers as defined under Rule 144A of the Securities Act of 1933, as amended, for whom the purchase would be suitable and that have available cash. del Rey will allocate securities acquired in a Regulation S offering, typically on a pro rata basis to the extent feasible, only to accounts that are not held by a U.S. resident or U.S. citizen, to whom the offering may be made in compliance with the laws of the jurisdiction in which the account resides, for whom the purchase would be suitable and that have available cash.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or the integrity of del Rey or its management persons.

Item 10: Other Financial Industry Activities and Affiliations

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Affiliations

One of del Rey's investors is Northern Lights Capital Partners, a private equity firm focusing on investments in the asset management industry. Northern Lights is not involved in the operations or day-to-day management of del Rey, nor does it provide investment advice to del Rey or any of its clients.

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

Code of Ethics

del Rey employees must comply with a Code of Ethics. The Code sets forth the standards of business conduct the firm expects from each employee. It requires employees to report and del Rey to monitor certain business activity or conduct to avoid potential conflicts of interest. The Code requires compliance with fiduciary duties, applicable securities laws, confidentiality, and placing client's interests first. The Code's key provisions include:

Statement of General Principles

- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

In addition, the Code outlines policies and procedures designed to detect and prevent conflicts of interest relating to personal trading by del Rey's access persons and to ensure that del Rey effects transactions for clients in a manner that is consistent with its fiduciary duty and in accordance with applicable law. As such, del Rey employees who wish to purchase or sell securities are required to maintain brokerage accounts that provide del Rey with duplicate confirmations and account statements in relation to employees' transactions. del Rey's Chief Compliance Officer reviews all employee trades against applicable statements and confirms. These reviews help ensure that personal trading does not affect the markets, and that clients of del Rey receive preferential treatment. In addition, trading may occur only in compliance with certain procedures including, but not limited to, obtaining pre-approval for all securities transactions not specifically exempted and restrictions relating to short term trading and investments in initial public offerings. The Code also contains certain prohibitions for del Rey personnel, including, but not limited to, transacting within seven (7) days preceding or following certain firm-wide transactions. Additionally, del Rey employees are required to provide periodic holdings reporting as well as initial certifications upon employment and annually thereafter. The Code also prohibits the misuse of material nonpublic information. Any individual not in compliance with the Code of Ethics may be subject to termination.

Additionally, persons covered by the Code are required to provide periodic holdings reporting as well as initial certifications upon employment and annually thereafter.

Under the Code, employees are subject to certain limitations regarding the receipt of gifts and other benefits in the form of entertainment from parties with whom del Rey conducts business. Employees are also subject to certain limitations regarding the giving of corporate gifts and other benefits to others. To the extent del Rey determines that there is no conflict of interest, employees from time to time may engage in outside business activities. A copy of del Rey's Code will be provided upon request of any client or prospective client.

del Rey's clients and prospective clients can obtain a copy of del Rey's Code of Ethics by contacting Gerald Wheeler at (310) 649-1230.

Participation or Interest in Client Transactions

Neither del Rey nor its employees recommend to clients or buy or sell for client accounts, securities in which they have a material financial interest.

Participation or Interest in Client Transactions – Personal Securities Transactions

del Rey may recommend to clients the purchase or sale of registered and privately-offered funds managed by del Rey from which del Rey may receive advisory, administrative and/or distribution fees.

del Rey and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of del Rey will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions for clients. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of del Rey's clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and designed to reasonably prevent conflicts of interest between del Rey and its clients.

Item 12: Brokerage Practices

Selection of Broker-Dealers

In determining the broker-dealers through which to place securities transactions for client accounts, del Rey's policy is to seek the best execution of orders at the most favorable price in light of the overall quality of brokerage and research services provided. When a client has given del Rey brokerage discretion, there is no restriction on the brokers del Rey may select to execute the client's transactions. These accounts are referred to as "Discretionary Brokerage Accounts." In selecting broker-dealers to execute transactions, the determination of what is expected to result in best execution at the most favorable price involves a number of factors, including, but not limited to, the nature of the security being traded, the size and timing of the transaction, the activity existing and expected in the market for the particular security, the likelihood of price improvement, the speed of execution, and the ability to minimize market impact. In addition, del Rey considers the broker-dealer's financial responsibility (including willingness to commit capital), its responsiveness and operational capabilities (including block trading and step-out capability as well as clearance and settlement), and its maintenance of the confidentiality of orders. Further, del Rey considers the value, nature and quality of the research services provided. The determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution under the circumstances. Subject to the satisfaction of its obligation to seek best execution, del Rey may also consider a broker-dealer's access to initial public offerings ("IPOs") and secondary offerings.

As a result of any or a combination of the above factors, transactions will not always be executed at the lowest available price, commission, and/or mark-up/mark-down, but will be within a generally competitive range as del Rey does not adhere to any rigid formula in making the selection of any particular broker-dealer, but weighs a combination of the preceding and, potentially, other factors. Additionally, transactions which involve specialized services on the part of the broker-dealer involved usually entail higher commissions than would be the case with other transactions requiring more routine services.

del Rey has established a Best Execution Committee that has oversight and policy making responsibility for del Rey's brokerage practices. Committee membership includes senior management and representatives from trading, portfolio management, research, and legal and compliance. The Committee meets semi-annually or more frequently as needed.

del Rey places orders through financial firms that may use, offer or include products or services of del Rey or its affiliates. del Rey does not take into account such business arrangements when selecting firms through whom orders are placed.

Managed Account and Wrap Fee Arrangements

As more fully described under del Rey's description of its advisory business, Managed Account Program clients enter into Managed Account Program agreements with a Program Sponsor for fully bundled arrangements or for partially bundled arrangements.

Because transaction costs for trades executed by the Program Sponsor under both arrangements are included in the client's fee, del Rey does not negotiate brokerage commissions with Program Sponsors. To the extent that del Rey effects a transaction with a Program Sponsor or affiliated broker-dealer with which the client has a fully or partially bundled arrangement, the client does not pay commissions on equity transactions with such firm and a portion of the single fee is considered to be in lieu of brokerage commissions. In connection with such arrangements, del Rey may use the specified brokerage firm, although it is permitted to trade away/step out from the firm. (Please see "Step-Out Transactions" below). However, if del Rey places client trades with another firm, the client may incur trading costs including for example, brokerage commissions, mark-ups or mark-downs, or other transaction fees, in addition to the bundled fee charged by the Program Sponsor. In addition, a Program Sponsor may charge additional fees for settling step-out transactions (see below for a description of step-out transactions).

A client should evaluate whether a particular Managed Account Program is suitable for his or her needs in light of the Program fee, the package of services provided, the amount of portfolio activity in the account, and the value of custodial and portfolio monitoring services provided. The bundled fee may be higher or lower than the total cost of all the services if the client were able to obtain and pay for each service separately.

Step-Out Transactions

A step-out trade is one in which del Rey places the order for a transaction for one or more client accounts with a broker-dealer (the "Step-Out Broker") who executes the trade and then steps it out to the directed broker for clearance and settlement.

In certain cases, the Step-Out Broker executes the trade for the Directed Brokerage Accounts or Managed Accounts that permit step-out transactions without a commission because either (a) the customer on the opposite side of the transaction pays a commission, or (b) in order to obtain the order flow. del Rey may include Discretionary Brokerage Accounts in a step-out transaction so that the Step-Out Broker receives commissions from the Discretionary Brokerage Accounts. del Rey also may execute a step-out transaction on a net basis with a market maker or other broker-dealer when it believes that the use of market maker or other broker-dealer will provide a better execution. In such cases, transaction compensation to the Step-Out Broker is included in the net price of the security.

Although del Rey does not believe there is any adverse impact to Discretionary Brokerage Accounts participating in step-out transactions, it is possible that the commission rate that del Rey negotiates for Discretionary Brokerage Accounts in a step-out transaction might be lower if the block did not include Directed Brokerage Accounts. On the other hand, if the Directed Brokerage Accounts were not included in the step-out transaction, del Rey might not be able to obtain as favorable a price because the size of the block order would be substantially reduced. Thus, on balance, del Rey believes that combining Discretionary Brokerage Accounts and Directed Brokerage Accounts in one block order benefits both the Discretionary Brokerage Accounts and the Directed Brokerage Accounts because the size of the block order can result in a better price and execution for all accounts.

The broker shown on the confirmation for a step-out transaction for a Directed Brokerage Account is not the Step-Out Broker (the firm that executed the transaction) but the directed broker. The price shown on the confirmation may be shown "net," meaning that it includes a mark-up/mark-down or other service fee charged by the Step-Out Broker for executing the transaction. The amount of this mark-down/mark-up or service fee is not shown on the confirmation (for example, a security that costs $10 per share with a two (2) cent per share mark-up or service fee will be shown as costing $10.02 per share). The directed broker receives the compensation, if any, shown on the confirmation. This compensation is at whatever commission rate or wrap fee the client has negotiated.

Research and Other Soft Dollar Benefits

del Rey may use a broker that charges more than the lowest available commission when del Rey determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker (a practice commonly referred to as "paying up"). Consistent with its policy of seeking best price and execution, and in accordance with Section 28(e) of the Securities Exchange Act of 1934, del Rey may consider the research and brokerage services capabilities of various brokerage firms, including the reputation and standing of their analyses and their investment strategies, timely accuracy of statistical information, and idea generation when selecting brokers to execute client transactions. del Rey is in effect paying for the brokerage and research products and services with client commissions, so-called "soft dollars."

del Rey also may effect transactions with brokers that pay for research services provided by third parties that are not brokerage firms in accordance with Section 28(e). The research services include reports and analyses relating to particular securities, classes of securities and securities markets, such as political analysis, economic analysis, technical analysis, industry analysis, analysis of national and international trends, security pricing services, execution measurement, meetings with management at portfolio companies and performance analysis and access to specialized databases (i.e., FactSet, Bloomberg etc). del Rey may use research services obtained with commissions from a particular account in servicing its other accounts and not all such services may be used by or for the benefit of the client that pays the brokerage commission. del Rey also may effect transactions with brokers that pay for trading and order management software and/or communication services related to the execution, clearing and settlement of securities transactions (i.e., order management software). del Rey receives a benefit in using soft dollar brokers because in that case del Rey does not have to pay for the research, products or services itself. Because of this, there is, theoretically, an incentive to use soft dollar brokers rather than so-called "execution only brokers". However, del Rey will typically not pay a mark-up in commissions to soft dollar brokers and the services provided to del Rey via soft dollars tend to benefit all clients. del Rey will use soft dollar brokers when it is determined that they can deliver comparable or better execution than other brokers available to del Rey.

In addition, accounts that do not generate any commissions used to acquire brokerage and research products and services may benefit from those that do. For example, del Rey generally obtains research and brokerage services only with respect to transactions for Discretionary Brokerage Accounts (and not with respect to directed brokerage transactions for Directed Brokerage Accounts (as defined herein) and Managed Accounts). However, del Rey uses the benefits of the research and brokerage services in providing advisory services to Discretionary Brokerage Accounts, Directed Brokerage Accounts and Managed Accounts.

At least annually, del Rey reviews the amount and nature of the brokerage and research products and services discussed above, as well as the extent to which such services are relied upon, and sets informal total targets for the broker-dealers on the basis of such considerations. The Best Execution Committee reviews this analysis, the targets, and any adjustments in the targets with input from its portfolio manager, traders, and analysts. The actual brokerage business allocated to a particular broker-dealer may be more or less than the informal target. del Rey does not make binding commitments regarding the level of brokerage commissions it will allocate to a broker-dealer. In certain instances, del Rey may pay hard dollars directly to a broker for products or services; however, del Rey does not commit to pay hard dollars directly to the vendor of a product or service if the informal targets are not met. Receipt of products or services other than brokerage or research is not a factor in allocating brokerage. Nevertheless, del Rey may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution.

The brokerage and research products and services that del Rey receives from broker- dealers supplement del Rey's own research activities. As a practical matter, in some cases del Rey could not, on its own, generate all of the research that broker-dealers provide without materially increasing expenses. Soft dollar arrangements create a potential conflict by possibly giving an investment adviser an incentive to trade frequently to generate commissions to pay for these products or services, which may not be in the best interests of an adviser's clients, or, in some cases, to trade actively in certain accounts to obtain research used primarily by other, less frequently traded accounts. del Rey attempts to mitigate these potential conflicts through oversight of the use of commissions by the Best Execution Committee.

Brokerage for Client Referrals

del Rey does not consider any client referrals it or a related person receives when selecting or recommending broker-dealers.

Directed Brokerage

Some of del Rey's clients direct del Rey to use a particular brokerage firm ("Directed Broker") for some or all of the clients' transactions. Generally, these directions are typically provided by clients for one of three reasons: (1) the client has entered into a commission recapture arrangement with the Directed Broker; (2) the individual broker or financial consultant has referred the client to del Rey; or (3) the client has his account's custodial arrangements provided by the Directed Broker or its affiliate. All of these types of accounts are referred to as "Directed Brokerage Accounts."

Commission Recapture Arrangements. In the typical recapture arrangement, the client and the broker have negotiated the commission rate and the amount of the commission that the broker will use to offset hard dollar costs, usually for consulting services, that the client would otherwise pay.

Referred Brokerage Arrangements. When a broker refers a client to del Rey and the client wants to retain that broker, the client and broker would negotiate the brokerage commission rate. This negotiation may or may not take into account additional services the broker offers, such as custody as noted below.

Custodian Brokerage Arrangements. In this arrangement, the client has negotiated a commission rate that includes custodial services at the Directed Broker and/or affiliated custodian.

Partial Direction

When clients direct del Rey to place orders for a portion of their trades through a specific broker-dealer for purposes of the directed broker obtaining a certain level of commissions, del Rey may endeavor to aggregate the directed brokerage order with non-directed brokerage orders for execution and then step out the trade to the directed broker for clearance and settlement. This arrangement could facilitate two purposes. First, a step-out allows the directed broker to receive the commissions. Second, aggregation of directed brokerage orders with non-directed orders allows directed brokerage clients to participate on the same terms and conditions as other non-directed brokerage clients when the terms of the aggregated order are equal to or more advantageous than the terms the client has negotiated with their directed broker. For trades that result from cash flows into or out of the client's account, del Rey will typically execute such trades through the directed broker and the client's account will pay the commission rate that the client has independently negotiated with the directed broker.

In instances where clients provide instructions for brokerage direction and there is no negotiated commission rate between the broker and client, del Rey may accommodate such requests on a best efforts basis. del Rey may direct trades for these accounts to the Directed Broker at its discretion subject to best execution and potentially at the same commission rate paid by all discretionary accounts participating in the transaction as described above.

Mandatory Direction

When clients have expressed their desire to place orders exclusively with their directed broker for purposes of the directed broker obtaining all of the commissions but have *not* negotiated specified trading charges, del Rey may endeavor to aggregate the directed brokerage order with other non-directed brokerage orders and then step-out the trade to the directed broker for clearance and settlement. Again, this arrangement, if possible, could facilitate two purposes. First, a step-out allows the directed broker to receive the commissions. Second, aggregation of directed brokerage orders with non-directed orders allows directed brokerage clients to participate on the same terms and conditions as other non- directed brokerage clients. However, where clients have expressed their desire to place orders exclusively with their directed broker and have independently negotiated specified trading charges, del Rey may aggregate the directed brokerage order with other non-directed brokerage clients' orders for execution but the client's account will pay the rate that the client negotiated with their directed broker.

Certain Custodian Arrangements

Clients who have negotiated custodial arrangements with their Directed Broker may be precluded from having trades executed through their Directed Broker's affiliate. If del Rey executes an aggregated trade with a Directed Broker's affiliate, the account may not be able to participate in the aggregated trade. Orders for such accounts would typically be placed at the end of the trading rotation for execution with the Directed Broker's trading desk.

Furthermore, client accounts, whose Program Sponsor or affiliate is a member of the underwriting syndicate of a Public Offering, as defined below, typically do not participate in aggregated trades of the offering with the member or affiliate. Orders for such accounts would typically be placed in the secondary market.

Clients are encouraged to speak with their Program Sponsor to determine if these restrictions apply to their account.

Limitations of Directed Brokerage

While del Rey attempts to aggregate clients' transactions, in most situations, it may not be able to do so. As a result, the client may pay a higher commission or receive a less favorable price for a security than if del Rey had discretion to choose the broker or aggregate trades with other clients. When possible, del Rey aggregates the trades of clients who have requested that their brokerage be directed to the same brokerage firm. Certain clients who participate in such block trades are charged different commission rates and may pay or receive different prices for a security. Therefore, a client in directing del Rey to use a particular broker should consider whether such direction may result in certain costs or disadvantages to the client.

As noted above, when a client asks del Rey to direct trades through a specific broker, the broker may provide the client with certain additional services, such as custody, consulting or other services or products, and all or a portion of the directed transaction costs (commission rates and/or minimum ticket charges or other charges) may be used to pay for such services. del Rey does not generally have complete information regarding the terms of such arrangements, and the client is responsible for regularly monitoring the quantity, quality and value of services provided for the three types of arrangements defined above and determining that the arrangement continues to be in its best interest.

Although transaction costs are only one component of a best execution analysis, many directed brokerage accounts pay effective rates of commissions that are higher than client accounts that do not have directed brokerage arrangements. Other broker-dealers may provide additional services at a lower cost. As such, del Rey cannot ensure in any given transaction with the directed broker that it will be able to obtain the lowest overall cost for the client's account.

del Rey may be in a better position to negotiate transaction commissions if brokerage were not directed by a client than it is when the client directs its brokerage to a particular broker. Thus, the brokerage commission under a directed brokerage arrangement may be in excess of commissions which could be obtained from another brokerage firm and higher than other del Rey clients may pay. A client who directs del Rey to use a particular broker, even one who provides additional services such as custody, should consider whether commission expenses, execution, clearance and settlement charges are comparable to those otherwise obtainable by del Rey.

Moreover, conflicts of interest may exist under directed brokerage arrangements for del Rey when its client directs brokerage to a Program Sponsor who refers clients to del Rey by creating an incentive for del Rey to place more trades with the broker referring clients without consideration of best execution.

Aggregation of Trades

del Rey endeavors to treat all advisory accounts fairly and equitably in the execution of client orders. In instances when the same security is traded at or about the same time on the trading desk for more than one investment strategy, del Rey will rotate the placement of orders in groupings based on investment strategy. This will allow each investment strategy (i.e., International Equity, International ADR, Global Equity and Global ADR) to regularly trade first in the firm's trading sequence. Within each investment strategy, and to the extent the following types of accounts exist within such strategy, del Rey will follow a trade rotation among (a) accounts that can be aggregated in a block trade; (b) accounts in fully bundled wrap programs and (c) Model Portfolio Accounts. With respect to (b) and (c), there will be a rotation within each such group based on custodian/platform sponsor.

del Rey may combine orders for multiple client accounts so as to limit the market impact of del Rey's orders, to facilitate price improvement on trading larger blocks of securities and to minimize dispersion across all client accounts. For strategy-wide transactions for clients' accounts in the same equities or convertible securities, as opposed to individual account transactions resulting from cash flows or terminations, del Rey may aggregate the transactions of most client accounts located in most jurisdictions for whom the transaction is appropriate, regardless of the client's type of brokerage arrangement. The reporting requirements in certain foreign jurisdictions or contractual or legal obligations to certain clients or third parties may result in del Rey's placing two or more orders for the same security for clients in differing jurisdictions at the same time or about the same time with the same or different brokerage firms. In determining the timing of trades and selection of brokers, del Rey's traders may take into account the following factors: the relative size of the orders, the prevailing market conditions, the characteristics of the orders, the liquidity of the security being traded, the proprietary research services provided by the brokerage firm, the firm's execution capability, the commission rate, and the firm's financial responsibility, responsiveness, and operationally efficiency. As a result, one order may be completed before the other order and the price that client accounts in the second or subsequent orders receive may be materially less favorable than the price received by client accounts in the first order.

Barring any regulatory or Directed Broker constraints, del Rey may step out the aggregated orders to one or more brokers in a series of Step-Out transactions. del Rey may request each Step-Out Broker to average the price of all of that broker's executions during a day so that each participating account with that broker obtains the same price. However, it is possible that the prices for each aggregated transaction in the same security with the same broker on a single day may be different. Accounts in an aggregated transaction will generally pay the same commission per share unless the client has directed its brokerage to a particular broker. In those situations, the clients may pay different commissions.

del Rey may deviate from its allocation policies in certain circumstances, such as transactions resulting from client requests to withdraw funds or securities, client requests to liquidate the client's account, and orders for new accounts or contributions.

Allocation of Partially Filled Orders

If del Rey is unable to fill an aggregated transaction completely, it allocates the partially filled orders according to del Rey's allocation policy among accounts for which such a transaction is appropriate. The objective of del Rey's allocation policy is to achieve equal treatment of all clients' accounts through a systematic process of trade allocation. No preference is given with respect to portfolio size, broker affiliation, or tenure of client.

Partially filled orders for accounts in the Institutional group are allocated either randomly or pro-rata using the Bloomberg AIM Order Management System.

If there is a rapid change in the price of the securities del Rey is seeking to purchase or sell for clients, del Rey may determine to change its action before it has filled orders for all client accounts for whom a particular transaction is appropriate. Thus, it is possible that not all client accounts will participate in the same gains or losses as other client accounts with similar investment objectives.

Special Allocation Procedures

del Rey has adopted special allocation procedures for IPOs and secondary offerings (together, "Public Offerings") and offerings of Rule 144A and Regulation S securities. del Rey may be allocated only a portion of any Public Offering and it would allocate shares purchased in a Public Offering fairly and equitably among its larger, more highly diversified institutional accounts on a pro rata basis to the extent feasible, based on suitability concerns and available cash, and in a manner that avoids comparatively small allocations. del Rey does not allocate Public Offerings to Managed Account Program Accounts, or to any account custodied at a broker dealer or to any account custodied at a bank that pays a fee to a financial services firm that is a member of the underwriting syndicate for the Public Offering or whose affiliate is a member of the underwriting syndicate for the Public Offering. Other restrictions may apply to these purchases. del Rey allocates securities acquired in a 144A offering, typically on a pro rata basis to the extent feasible, only to accounts that are Qualified Institutional Buyers as defined under Rule 144A of the Securities Act of 1933, as amended, for whom the purchase would be suitable and that have available cash. del Rey allocates securities acquired in a Regulation S offering, typically on a pro rata basis to the extent feasible, only to accounts that are not held by a U.S. resident or U.S. citizen, to whom the offering may be made in compliance with the laws of the jurisdiction which the account resides, for whom the purchase would be suitable and that have available cash.

Trade Error Procedures

In the event of a trading error, such as an incorrect security is purchased or sold for a client's portfolio, that is discovered prior to settlement**,** del Rey will first seek to cancel the trade with the broker-dealer at no detriment or expense to the client and no quid pro quo to the broker. It is also permissible to clear an unsettled trade through a broker's in-house error account if the broker is reimbursed for any loss. If the trade cannot be cancelled or has otherwise settled, del Rey will take reasonable steps to put the client in the same position it would have been in had the error not occurred. del Rey shall reimburse any loss suffered by a client; any gain realized by a client as a result of correcting a trade error (post settlement) shall remain in the client's account. Netting of gains and losses is permitted in certain circumstances. del Rey is responsible for its own errors and not the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by del Rey. del Rey, in its sole discretion, may assist, to the extent possible, with the appropriate correction of errors committed by third parties.

For trade errors that occur in Managed Account Programs, del Rey does not have the ability to control the ultimate resolution of the trade error. In these instances, the trade error and resolution thereof is governed by the Program Sponsor's policies and procedures.

Item 13: Review of Accounts

Reviews

del Rey’s portfolio management team reviews client accounts to assess consistency with the relevant Investment Strategy and applicable account restrictions on a periodic basis.

The portfolio management team has the responsibility to manage the portfolio in accordance with the client’s selected strategy, investment objectives and constraints. This management process includes on-going oversight of the portfolio’s investments, buying and selling securities, and communication with clients.

Review Triggers

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

Client Reports

Institutional Separate Accounts

Clients typically receive written quarterly reports listing their portfolio holdings and the performance of their portfolio for various periods compared to benchmark data. At a client’s reasonable request, del Rey provides additional information as mutually agreed between the client and del Rey such as transaction summaries, gain/loss reports or commission reports.

Investors in Private Funds

Each Private Fund investor receives monthly written capital account statements listing the current value of their account and the recent and since inception performance compared to benchmark data, if applicable. In addition, investors also receive annual audited financial statements and tax information. Certain unaudited fund information may be sent on a periodic basis.

Managed Account and Financial Planning Firm Accounts

Managed Account and Financial Planning Firm clients typically receive reports of directly from the Program Sponsor or Financial Planning Firm who determine the frequency and content of the reports.

Item 14: Client Referrals and Other Compensation

Other Compensation

In the ordinary course of business, del Rey, or a related person performing services on behalf of del Rey, may send corporate gifts or pay for meals and entertainment for individuals of firms that do business with del Rey. del Rey employees or related persons also may be the recipients of corporate gifts, meals and entertainment. The giving and receipt of gifts and other benefits are subject to limitations under del Rey's Code of Ethics.

In addition, del Rey may receive various data services, including file download and on-line services, free of charge from banks and brokerage firms that act as custodians of client assets. Receipt of such services may pose a conflict of interest if del Rey were to consider any of these services when selecting a brokerage firm for the execution of client securities transactions. del Rey does not consider the aforementioned services during the broker selection process, nor will del Rey compensate any broker either directly or indirectly by directing brokerage transactions for consideration of these services.

del Rey, or a related person on del Rey's behalf, may pay fees to consultants for their advice and services, industry or peer group information, educational programs, software services or conference attendance. A conflict could exist if the consultant were to recommend del Rey's services based upon the amount of services del Rey purchased.

Additionally, certain of del Rey's supervised persons and related sales personnel may receive certain discretionary compensation for successful marketing or selling activities with respect to shares or interests in the Funds or Private Funds advised or subadvised by del Rey.

<u>Payments to Others - Managed Account Programs</u>

del Rey may make payments to firms or persons that use, offer or include products or services of del Rey in a particular program, include del Rey in a preferred list of advisers, or refer clients to del Rey. These payments may take the form of conference, program or event attendance, participation or exhibition fees, educational and training fees, or fees linked to program participation or specific marketing initiatives within an existing program. del Rey may pay travel, meal and entertainment expenses for a firm's representatives and others who visit del Rey's offices or other locations (including hotels and conference centers) to learn about its products and services.

Certain Managed Account Program Sponsors may establish trade error accounts for their programs, in which instances del Rey follows the Program Sponsor's particular procedures. In certain programs, losses for certain errors in client accounts managed by del Rey may be offset by gains in other client accounts managed by del Rey in the same Managed Account Program(s) over varying time periods. This offsetting of losses with gains could result in a benefit to del Rey.

Managed Account Program clients are encouraged to request and review materials from program sponsors (such as a sponsor's program brochure) describing business and financial terms and arrangements between program sponsors and investment advisers.

Compensation for Client Referrals

From time to time, del Rey may enter into written solicitation agreements for the referral of del Rey's investment advisory services under which persons introducing new clients to del Rey receive a referral fee. Generally, the fee is based on a percentage of the investment advisory fees earned on assets invested with del Rey at the commencement of the relationship. Clients do not pay higher fees as a result of these arrangements.

Item 15: Custody

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del Rey serves as investment manager of a certain Private Fund. As a result, del Rey may be deemed to have access to the funds and securities in the Private Fund. del Rey, as a matter of policy, seeks to ensure that it complies with the pooled investment vehicle exemption and the privately offered securities exemption outlined in Rule 206(4)-2 under the Investment Advisers Act of 1940 (the “Custody Rule” or the “Rule”), as amended.

Furthermore, del Rey is deemed to have a limited form of custody with respect to certain client assets by virtue of its authority to withdraw advisory fees from client accounts. Accordingly, del Rey maintains policies and procedures reasonably designed to mitigate the risk of fees not being deducted from client accounts in accordance with advisory contract terms.

Clients will receive account statements from their qualified custodians and should carefully review those statements. Some clients may also receive account statements from del Rey at least quarterly. del Rey’s statements are not intended to replace the statement sent directly by the client’s qualified custodian which is the client’s official record for all pertinent account information. del Rey urges clients to compare the information contained in del Rey’s account statement to the information reflected on the statement sent directly by its qualified custodian. The information provided in del Rey’s account statement is as of the date referenced on the report and is based on sources del Rey believes are accurate and reliable. del Rey’s account statements may vary from custodial statements based on reporting dates, accounting procedures, or valuation methodologies of certain securities. del Rey requests that clients notify their relationship manager promptly if they do not receive a statement directly from their custodian on at least a quarterly basis that contains the amount of funds and each security in their account at the end of the period, and all transactions in the account during that period.

In the event of an inadvertent receipt of any check or other financial instrument payable to a client, del Rey reserves the right to send the check or instrument to the client or its custodian rather than back to the original sender when it believes that such procedure provides the best overall protection for the underlying assets.

Item 16: Investment Discretion

del Rey is generally granted authority to manage securities accounts on behalf of its clients. For Institutional Accounts, del Rey generally obtains a client's written consent to its discretionary authority with respect to the client's assets in the form of an executed investment advisory agreement or other such comparable services agreement prior to providing discretionary advisory services. Private Fund clients execute subscription documents prior to del Rey providing discretionary advisory services.

For Managed Account Programs, del Rey is appointed to act as an investment adviser through a process administered by the Program Sponsor. Clients participating in a Managed Account Program, generally with assistance from the Program Sponsor, may select del Rey to provide investment advisory services for their account (or a portion thereof) in a particular strategy. del Rey provides investment advisory services based upon the particularized needs of the Managed Account Program client as reflected in information provided to del Rey by the Program Sponsor, and will generally make itself available for telephone conversations or in-person meetings as reasonably requested by Managed Account Program clients and/or Program Sponsors. Under special circumstances, del Rey will manage an account on a non-discretionary basis or in a model-based program, or permit modified discretion whereby del Rey submits a list of securities to purchase or sell for approval by the client and then acts in accordance with the client approval. Clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager in a particular strategy and participating in a Managed Account Program.

del Rey's discretionary authority over an account is subject to directions, guidelines and limitations imposed by the client or, in the case of a Managed Account Program, the Program Sponsor, and in the course of providing services to any client account, del Rey relies on information or directions communicated by any Program Sponsor, adviser, broker, consultant, agent, representative or any other party acting with apparent authority on behalf of its client.

del Rey will endeavor to follow reasonable directions, investment guidelines and limitations imposed by the client, Program Sponsor or other parties acting with apparent authority of behalf of the client. However, although del Rey seeks to provide individualized investment advice to its discretionary client accounts, del Rey will not be able to accommodate investment restrictions that are unduly burdensome or materially incompatible with del Rey's investment approach, and del Rey may decline to accept or terminate client accounts with such restrictions. In addition, del Rey has full discretion to determine the timing of investing a client's assets upon commencement of management of a client account and upon receipt of contributions to an account.

del Rey, in its discretion, may take positions for certain clients' accounts that are different than the positions it takes for other clients' accounts, based on differing investment strategies and restrictions that may be imposed by individual clients, the age of the account, the size of the account as well as other factors that may distinguish accounts, such as the expressed ability and willingness of clients to absorb various levels of risk.

del Rey may also hold different security types of the same issuer. In doing so, del Rey will evaluate each security type on the basis of its individual investment merits. This may result in del Rey taking different actions for different security types of the same issuer. This could create a conflict of interest in that del Rey's actions with respect to one security type could adversely affect clients who are holding another security type. Accordingly, del Rey will review the potential impact of such actions on all accounts invested in the issuer.

When clients contribute securities to new or existing account, del Rey will evaluate the securities contributed ("legacy positions") and may sell all or a portion of such securities at any time in del Rey's discretion to the extent that such securities would not be included in del Rey's normal portfolio holdings for such account. Depending on the nature or size of the legacy position and other factors, the client may receive a sale price that is less favorable than if the transaction involved a more liquid security or a more marketable-sized position. The client is responsible for any tax consequences of the sale.

If clients seek to contribute securities to a new or existing account so that del Rey will sell such securities, and then withdraws the cash proceeds, the client must expressly notify del Rey of its intent at the time of the contribution of securities. If a client contributes securities that are later sold, and fails to notify del Rey that such proceeds will be withdrawn, del Rey may invest the proceeds. The client is then responsible for any costs or losses, including taxes, associated with the subsequent sale of portfolio holdings and withdrawal of proceeds. del Rey reserves the right to decline to accept client instructions to liquidate securities when the proceeds will be withdrawn rather than reinvested. In that event, a client would be responsible for liquidation of the securities.

Item 17: Voting Client Securities

del Rey's Proxy Voting Policies and Procedures seek to ensure that proxies for which del Rey has ultimate voting authority are voted consistently and solely in the best economic interests of the beneficiaries of these equity investments. In addition, del Rey may determine not to vote proxies relating to certain securities if del Rey determines it would be in its clients' overall best interests not to vote, such as when the securities are foreign securities subject to share blocking (short-term prohibitions on selling after voting).

del Rey has engaged the services of Institutional Shareholder Services, Inc. ("ISS") to make recommendations to del Rey on the voting of proxies for securities held in client accounts. del Rey reviews and frequently follows ISS recommendations. However, del Rey may not vote in accordance with ISS' recommendations when del Rey believes an ISS recommendation is not in the best economic interest of clients and in certain other instances.

If del Rey is faced with a material conflict of interest in voting a proxy, del Rey will vote any proxies relating to such company's securities in accordance with the ISS recommendations to avoid any conflict of interest or in the manner provided in the Proxy Voting Policies and Procedures.

If an Institutional Account client requests del Rey to follow specific voting guidelines, del Rey will review the request and inform the client if del Rey is not able to follow the client's request. Institutional Account clients may make such requests during the contract negotiation process or by contacting their relationship manager thereafter.

A copy of del Rey's Proxy Voting Policy, as updated from time to time, as well information on how del Rey voted their accounts' securities is available to clients upon written request. del Rey will provide such information through the most recently completed calendar quarter. To obtain a copy of del Rey's Proxy Voting Policy or information on how del Rey voted a client's securities, please send a request to:

del Rey Global Investors, LLC
6701 Center Drive West, Suite 655
Los Angeles, CA 90045
ATTN: Chief Compliance Officer

Item 18: Financial Information

Not applicable.

DEL REY GLOBAL INVESTORS, LLC

CLIENT PRIVACY NOTICE

Your privacy is very important to us.

This Privacy Notice sets forth the policies of del Rey Global Investors, LLC (the "Investment Manager"), and all of its affiliates, with respect to non-public personal information of our clients.

You provide us with non-public personal information, such as your address, social security number, assets and/or income information: (i) in advisory agreements and related account opening documentation; (ii) in correspondence and conversations with the Investment Manager; and (iii) through transactions involving your account.

We do not sell your non-public personal information to anyone.

We do not disclose any non-public personal information about Investors to anyone, other than to:

- Our affiliates for proper business purposes in connection with the provision of management and other services to you;
- Non-affiliated third parties (such as brokers, custodians, attorneys, auditors and administrators) as necessary for us to provide agreed upon services and products to you consistent with applicable law. Such entities are not allowed to use your non-public personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your non-public personal information to the performance of the specific services we have requested; and
- You, persons we believe to be your authorized agent or representative, and, if compelled to do so, regulators and courts in order to satisfy our regulatory and other obligations to such entities in accordance with applicable law.

We seek to carefully safeguard your private information and, to that end, restrict access to non-public personal information about you to those employees and other persons who need to know the information to enable us to provide services to you. We maintain physical, electronic and procedural safeguards to protect your non-public personal information.