

FORM ADV
Part II - Page 1

Uniform Application for Investment Adviser Registration

OMB APPROVAL
OMB Number: 3235-0049
Expires: June 30, 2003
Estimated average burden
hours per response: 9.402

Name of Investment Advisor:

ADHIA INVESTMENT ADVISORS, INC.

| | | | | | |
|------------------------------------|--------|---------|------------|------------|-------------------|
| Address: (Number and Street) | (City) | (State) | (Zip Code) | Area Code: | Telephone Number: |
| 1408 N. Westshore Blvd., Suite 805 | Tampa | FL | 33607 | (813) | 289-8440 |

This part of Form ADV gives information about the investment adviser and its business for the use of clients.

The information has not been approved or verified by any government authority

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

FORM ADV
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Applicant:

ADHIA INVESTMENT ADVISORS, INC.

SEC File Number:

801-54870

Date:

11/25/2009

1. A. Advisory Services and Fees (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below).

Applicant:

- | | | |
|-------------------------------------|---|------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | 20 % |
| <input checked="" type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | 80 % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | % |
| <input type="checkbox"/> | (6) Issues not as part of any service described above, any charts, graphs, formulas or other devices which clients may use to evaluate securities | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | % |
| <input type="checkbox"/> | (8) Provides a timing service | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | % |

(Percentages should be based on applicant(s) last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates).

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes ☒ No ☐

C. Applicant offers investment advisory services for: (check all that apply)

- | | | | |
|-------------------------------------|---|-------------------------------------|----------------------|
| <input checked="" type="checkbox"/> | (1) A percentage of assets under management | <input type="checkbox"/> | (4) Subscription fee |
| <input type="checkbox"/> | (2) Hourly charges | <input type="checkbox"/> | (5) Commissions |
| <input type="checkbox"/> | (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> | (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant(s) basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients - Applicant generally provides investment advice to: (check those that apply)

- | | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | A. Individuals | <input checked="" type="checkbox"/> | E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> | B. Banks or thrift institutions | <input checked="" type="checkbox"/> | F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> | C. Investment companies | <input checked="" type="checkbox"/> | G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> | D. Pension and profit sharing plans | | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page1).

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Applicant:
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11/25/2009

3. Types of Investments. Applicant offers advice on the following: (Check those that apply)

- | | | | |
|-------------------------------------|---|-------------------------------------|--|
| A. Equity Securities | | | |
| <input checked="" type="checkbox"/> | (1) exchange-listed securities | <input checked="" type="checkbox"/> | H. United States government securities |
| <input checked="" type="checkbox"/> | (2) securities traded over-the-counter | | |
| <input checked="" type="checkbox"/> | (3) foreign issuers | | I. Options contracts on: |
| | | <input checked="" type="checkbox"/> | (1) securities |
| <input type="checkbox"/> | B. Warrants | <input type="checkbox"/> | (2) commodities |
| | | | J. Futures contracts on: |
| <input checked="" type="checkbox"/> | C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> | (1) tangibles |
| | | <input type="checkbox"/> | (2) intangibles |
| <input checked="" type="checkbox"/> | D. Commercial paper | | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> | E. Certificates of deposit | <input type="checkbox"/> | (1) real estate |
| <input checked="" type="checkbox"/> | F. Municipal securities | <input type="checkbox"/> | (2) oil and gas interests |
| | | <input type="checkbox"/> | (3) other (explain on Schedule F) |
| | G. Investment company securities: | <input checked="" type="checkbox"/> | L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> | (1) variable life insurance | | |
| <input checked="" type="checkbox"/> | (2) variable annuities | | |
| <input checked="" type="checkbox"/> | (3) mutual fund shares | | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant(s) security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Long term purchase (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

8. Other Financial Industry Activities or Affiliations. (continued)

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Applicant:
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11/25/2009

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes ☒ No ☐

(If yes, describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice
- ☐ B. Applicant sells products or services other than investment advice to clients
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice

(For each checked box, describe the other activities, including the time spent on them, on Schedule F)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading advisor or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F, identify the related person and describe the relationship and the arrangement.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?

Yes ☒ No ☐

(If yes, describe on Schedule F the partnerships and what they invest in)

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|---|-------------------------------|---------------------|
| Applicant: ADHIA INVESTMENT ADVISORS, INC. | SEC File Number: 801-54870 | Date: 11/25/2009 |
|---|-------------------------------|---------------------|

9. Participation or Interest in Client Transactions.

Applicant or related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent, effects securities transactions for compensation for any client
- ☐ C. As broker or agent for any person other than a client, effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells, for itself, securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures or disclosures are used for conflicts of interest in those transactions)

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes ☒ No ☐
(If yes, describe on Schedule F)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews and number of accounts assigned each.

The firm has accounts under continuous review. Periodic review is conducted by the Investment Team and cover performance, purchases and sales, rationale behind investment decisions and strategies.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Each Client receives a monthly report from the designated Custodian

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| Applicant: ADHIA INVESTMENT ADVISORS, INC. | SEC File Number: 801-54870 | Date: 11/25/2009 |
|---|-------------------------------|---------------------|

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|---|-----------------------------|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?

Yes ☒ No ☐

For each yes answer to A, describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F, the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant(s) accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes ☐ No ☒

B. directly or indirectly compensates any person for client referrals?

Yes ☐ No ☒

(For each yes, describe the arrangement on Schedule F)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes ☐ No ☒

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part 2

| | | |
|---|-------------------------------|---------------------|
| Applicant: ADHIA INVESTMENT ADVISORS, INC. | SEC File Number: 801-54870 | Date: 11/25/2009 |
|---|-------------------------------|---------------------|

Do not use this Schedule as a continuation sheet for Form ADV Part 1 or any other schedules).

| | |
|--|------------------------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV: ADHIA INVESTMENT ADVISORS, INC. | IRS Empl. Ident. No: 59-3462608 |
|--|------------------------------------|

| Item of Form (identify) | Answer |
|----------------------------|--|
| Part II, 1.D | <p>ADVISORY SERVICES AND FEES</p> <p>Adhia Investment Advisors provides investment supervisory services in which the firm generally has full discretion to invest client assets. Portfolio asset mix is governed by Adhia Investment Advisors' assessment of a client's tolerance for risk.</p> <p><i>Managed Accounts</i></p> <p>Fees are based upon a percentage of assets under management and vary depending on the nature of the portfolio to be managed and the scope of Adhia Investment Advisors' services. The fees charged to any given client by Adhia Investment Advisors may be higher than fees charged to other clients, either by Adhia Investment Advisors or by other investment advisors, for advisory services to accounts of comparable size and investment objectives. Fees are typically billed monthly.</p> <p>Standard Fees: 0.75% for first \$500,000 under Management 0.50% for balance over \$500,000 under Management</p> <p>Clients may pay additional fees when placed in Mutual Funds. These fees are those associated with the Mutual Fund (i.e. Fund Expense Ratio, Fund Expense Ratio, Fund Sales Charges, etc.). Investment Advisory Agreements may be terminated with sixty (60) days written notification. Upon termination, fees are normally pro-rated based on the length of time in the billing period during which services were provided. Termination of an Investment Advisory Agreement does not affect or preclude the completion of any transaction initiated prior to termination or the client's financial responsibility for the transaction. Upon termination, Adhia Investment Advisors is under no obligation to recommend any action with regard to the securities or other property held in a client's account.</p> <p><i>Investment Partnerships - "Hedge Funds"</i></p> <p>Adhia Investment Advisors serves as the General Partner to Adhia Arbitrage Fund, LP, Adhia Arbitrage Master Fund, Adhia Arbitrage Variable Life Fund, LP, and Adhia Derivative Variable Life Fund, LP. Adhia Arbitrage Fund, LP and Adhia Arbitrage Variable Life Fund, LP are investment partnerships, hedge funds, which engage primarily in fixed income arbitrage. Adhia Derivative Variable Life Fund, LP is an investment partnership, hedge fund, which invest primarily in derivative based strategies. In managing the Funds, Adhia Investment Advisors has wide latitude in the selection of investments. The Partnership Agreements imposes no limits on the types of securities or other instruments in which the Adhia Arbitrage Funds or Adhia Derivative Funds may invest, the types of positions they may take, the concentration of their investments (whether by sector, industry, country, asset class or otherwise) the amount of leverage they may employ or the number or nature of short positions they may take.</p> |

Schedule F of Form ADV continued on next page.

Complete amended pages in full, circle amended items and file with execution page (page1).

**Schedule F of
Form ADV**

| | | |
|--|--------------------------------------|----------------------------|
| Applicant: ADHIA INVESTMENT ADVISORS, INC. | SEC File Number: 801-54870 | Date: 11/25/2009 |
|--|--------------------------------------|----------------------------|

Continuation Sheet for Form ADV Part 2

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| | |
|---|---|
| 1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV: ADHIA INVESTMENT ADVISORS, INC. | IRS Empl. Ident. No: 59-3462608 |
|---|---|

| Item of Form (identify) | Answer |
|---|---|
| Part II, 1.D <i>continued</i> | <p>The minimum initial investment is \$500,000 for the Adhia Arbitrage Fund and the Adhia Arbitrage Variable Life Fund, and \$100,000 for the Adhia Derivative Fund and Adhia Derivative Variable Life Fund. The minimum additional investment is \$100,000 for the Adhia Arbitrage Fund and Adhia Arbitrage Life Fund, and \$20,000 for the Adhia Derivative Fund and Adhia Derivative Variable Life Fund. New Limited Partners will be admitted as of the first business day of each month (or at such other times as Adhia Investment Advisors may allow). Adhia Investment Advisors has the right to apply additional standards for admission to the Adhia Arbitrage Fund and Adhia Derivative Fund for new Partners, and may in its sole discretion waive or reduce these requirements. The Adhia Arbitrage Variable Life Fund and the Adhia Derivative Variable Life Fund are insurance only funds.</p> <p>A Limited Partner will generally be permitted to withdraw some or all of his or her Capital Account balance effective as of the end of any calendar quarter. Withdrawals require at least forty-five (45) days' written notice and partial withdrawals may not reduce a Limited Partner's Capital Account balance below \$100,000 for the Adhia Arbitrage Fund and Adhia Arbitrage Variable Life Fund or below \$20,000 for the Adhia Derivative Fund and Adhia Derivative Variable Life Fund. Payments on withdrawals may be made in cash and/or securities in the Adhia Investment Advisors' discretion.</p> <p>Withdrawal proceeds will generally be paid within 30 days after the effective date of withdrawal. However, for withdrawals of 90% or more of a Limited Partner's Capital Account balance, up to 10% of the estimated withdrawal proceeds may be withheld until after the Fund's financial statements for the period of withdrawal have been reconciled. If a withdrawal occurs prior to a Limited Partner's first anniversary as a Partner, a 1% penalty as to the amount withdrawn will be assessed to the Limited Partner making the withdrawal.</p> <p>Limited Partners pay Adhia Investment Advisors a management fee, monthly in arrears, at a rate of 0.30% per annum for the Adhia Arbitrage Fund and Adhia Arbitrage Variable Life Fund, and 1.00% per annum for the Adhia Derivative Variable Life Fund of the gross value (which includes any assets acquired by the use of leverage and margin) of each Limited Partner's Capital Account balance. Limited Partners who contribute capital at any time other than the beginning of a calendar month will be charged a prorated Management Fee as to the amount contributed. The Management Fee will not be reimbursed as to any withdrawals made as of a date other than the last day of a calendar quarter.</p> <p>The Hedge Funds are responsible for all of their direct operating expenses. These include, among other things, brokerage commissions, interest on margin and other borrowings, borrowing charges on securities sold short, custodial fees, legal, research, accounting and audit fees and expenses, tax-preparation fees, governmental fees and taxes, bookkeeping and other professional fees, telephone, travel and travel-related expenses in connection with the Fund's activities, costs of fund reporting, costs of fund governance activities (such as obtaining Partner consents if and when necessary and appropriate), and all other reasonable expenses related to the management and operation of the Fund and/or the purchase, sale or transmittal of fund assets, as Adhia Investment Advisors determines in its sole discretion. Adhia Investment Advisors may cause some or all of those costs to be paid using "soft dollars"—i.e., paid by securities brokerage firms in recognition of commissions or other compensation (including markups and markdowns on principal transactions with market makers) paid on securities transactions the Fund executes through those firms.</p> |

Schedule F of Form ADV continued on next page.

Complete amended pages in full, circle amended items and file with execution page (page1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part 2

| | | |
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| Applicant: ADHIA INVESTMENT ADVISORS, INC. | SEC File Number: 801-54870 | Date: 11/25/2009 |
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| 1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV: ADHIA INVESTMENT ADVISORS, INC. | IRS Empl. Ident. No: 59-3462608 |
|--|------------------------------------|

| Item of Form (identify) | Answer |
|----------------------------------|---|
| Part II, 1.D <i>continued</i> | <p>The Hedge Funds will pay no commissions on subsequent sales of Interests. However, Adhia Investment Advisors may (x) pay, from its own assets, finders or referral fees to third parties who introduce investors to the Adhia Arbitrage Fund or Adhia Derivative Fund, or (y) waive any or all of its Management Fee or its Incentive Allocation as to third parties who introduce investors to a Fund or to Adhia Investment Advisors, or (z) direct a portion of the Adhia Arbitrage Fund's or Adhia Derivative Fund's portfolio business to broker-dealers who (i) introduce investors to the Adhia Arbitrage Fund or Adhia Derivative Fund, or to other pooled investment vehicles managed by Adhia Investment Advisors, and/or (ii) introduce prospective advisory clients to Adhia Investment Advisors, and/or (iii) pay finder's fees or other compensation to third parties who do so.</p> <p>Adhia Investment Advisors will pay its own general overhead expenses, such as the rent of its offices, compensation and benefits of its staff, maintenance of its books and records, fixed expenses, telephone and general-purpose office equipment. However, Adhia Investment Advisors may cause some or all of these costs to be paid using soft dollars.</p> <p>Subject to Adhia Investment Advisors' right to receive an "Incentive Allocation" (as described below), Profits and Losses (unrealized as well as realized) for each quarter (or a shorter period in certain circumstances) will be allocated in proportion to Partners' Capital Account balances.</p> <p>The Hedge Funds generally will not make distributions other than upon withdrawals; it will reinvest substantially all income and gain. To obtain cash from the Adhia Arbitrage Fund or Adhia Derivative Fund (e.g., to pay taxes arising out of profits allocated to a Limited Partner), Limited Partners must request a partial withdrawal.</p> <p>In addition to its proportionate share of Profits and Losses based on its Capital Account balance, Adhia Investment Advisors will receive a quarterly Incentive Allocation, on the last day of each calendar quarter as to each Limited Partner. The Incentive Allocation is equal to 20% of the appreciation of a Limited Partner's Capital Account after a "Hurdle Rate" of 2% per quarter is achieved. An Incentive Allocation will also be made as to amounts withdrawn, as of the effective time of the withdrawal.</p> <p>Incentive Allocations are subject to a "high water mark" provision. That is, Adhia Investment Advisors receives an Incentive Allocation from a Limited Partner's account only to the extent the Limited Partner's share of Profits exceeds his or her previously allocated but unrecouped Losses (which will include any unachieved Hurdle Rate and subject to adjustment for partial withdrawals). This prevents Adhia Investment Advisors from receiving an Incentive Allocation on Profits that simply restore previous Losses and is intended to ensure that each Incentive Allocation is based on the long-term performance of a Limited Partner's investment in the Fund. Once made, an Incentive Allocation will not be reduced by losses incurred in subsequent periods.</p> |

Schedule F of Form ADV continued on next page.

Complete amended pages in full, circle amended items and file with execution page (page1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part 2

| | | |
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| Applicant: ADHIA INVESTMENT ADVISORS, INC. | SEC File Number: 801-54870 | Date: 11/25/2009 |
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| 1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV: ADHIA INVESTMENT ADVISORS, INC. | | IRS Empl. Ident. No: 59-3462608 |
|---|---|---|
| Item of Form (identify) | Answer | |
| Part II, 1.D <i>continued</i> | <p>The prospect of receiving an Incentive Allocation could encourage Adhia Investment Advisors to make investments on behalf of the Hedge Funds that are riskier or more speculative than it would if Adhia Investment Advisors were receiving only a flat fee. Adhia Investment Advisors will receive Incentive Allocations as to unrealized gains that may never be realized and will not return an Incentive Allocation paid for a period in which there is a Profit, even if in a subsequent period the Fund does not earn a Profit or suffers a Loss. As a result, the Incentive Allocation may be greater than it would be if it were based solely on realized gains.</p> <p>Taxable income, gain, or loss can be expected to differ in any particular period from the Adhia Arbitrage Fund's or Adhia Derivative Fund's Profit or Loss primarily because unrealized gains and losses generally are not included for income tax purposes but are included in calculating Profit or Loss. It is possible that sales of appreciated securities in a particular period could cause some Partners to have taxable gain for that period at the same time that unrealized losses result in a Loss for the Fund. All items of taxable income, gain, loss, deduction and credit will be allocated among the Partners at the end of each calendar month. The Adhia Arbitrage Fund and Adhia Derivative Fund will allocate these items in a manner generally consistent with the economic effects of the allocations of Profit and Loss. Because the limited partners of the Adhia Arbitrage Variable Life Fund and the Adhia Derivative Variable Life Fund are insurance companies, there are no tax consequences as a result of earnings from the funds.</p> <p>The Hedge Funds can be terminated at the election of Adhia Investment Advisors or upon the happening of certain events specified in the Partnership Agreements.</p> | |
| Part II, 2.G | <p>TYPES OF CLIENTS PROVIDED INVESTMENT ADVICE - OTHER</p> <p>Adhia Investment Advisors serves as the General Partner and provides investment advice to Adhia Arbitrage Fund, LP, Adhia Arbitrage Variable Life Fund, LP, and Adhia Derivative Variable Life Fund, LP. Adhia Arbitrage Fund, LP is an investment partnership, a hedge fund, which engages primarily in fixed income arbitrage. Adhia Derivative Fund, LP is an investment partnership, a hedge fund, which invests primarily in derivative based strategies. Additionally, Adhia Investment Advisors may organize and serve as a General Partner or Investment Advisor to other investment pools in the future.</p> | |
| Part II, 3.L | <p>TYPES OF INVESTMENTS ON WHICH ADVISE IS OFFERED - OTHER</p> | |

Schedule F of Form ADV continued on next page.

Complete amended pages in full, circle amended items and file with execution page (page1).

**Schedule F of
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Continuation Sheet for Form ADV Part 2

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| Part II, 3.L continued | <p>Adhia Investment Advisors also serves as the General Partner to Adhia Arbitrage Fund, LP Adhia Arbitrage Variable Life, LP, Adhia Derivative Fund, LP, and Adhia Derivative Variable Life, LP. Adhia Arbitrage Fund, LP and Adhia Arbitrage Variable Life Fund, LP are investment partnerships, hedge funds, which engage primarily in fixed income arbitrage. Adhia Derivative Fund, LP and Adhia Derivative Variable Life Fund, LP are investment partnerships, hedge funds, which invest primarily in derivative based strategies. In general, Adhia Investment Advisors does not expect to provide advice on investing in the Hedge Funds. Investors are required to have such knowledge and experience in financial and business matters that they can evaluate the merits and risks of investment. In the event that an Investor does not have sufficient knowledge and experience, they are required to have a Purchaser Representative who possesses sufficient knowledge and experience advise them on the suitability of investment in the Hedge Funds.</p> | |
| Part II, 5 | <p>EDUCATION AND BUSINESS STANDARDS</p> <p>Generally, Adhia Investment Advisors' requires a Bachelors Degree from an accredited four year institution and several years of experience.</p> | |
| Part II, 6 | <p>EDUCATION AND BUSINESS BACKGROUND</p> <p>Name: Hitesh (John) Adhia Year of Birth: 1964 Formal Education: B.A. and M.S. University of South Florida Business Background: Private Accounting Practice, Farm Bureau Insurance Companies</p> <p>Name: Carol McAllister Year of Birth: 1969 Formal Education: B.S. Rensselaer Polytechnic Institute Business Background: Wellcare Group of Companies, Coopers & Lybrand</p> <p>Name: Carole Debaude Year of Birth: 1980 Formal Education: MBA University of South Florida Business Background: Adhia Investment Advisors, Inc.</p> | |

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Continuation Sheet for Form ADV Part 2

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| Part II, 7.A & 8.C, D | <p>AFFILIATIONS</p> <p>Adhia Investment Advisors serves as the Investment Advisor and as the General Partner to Adhia Arbitrage Fund, LP, Adhia Arbitrage Variable Life Fund, LP, Adhia Derivative Variable Life Fund, LP. Adhia Arbitrage Fund and Adhia Arbitrage Variable Life Fund are limited partnerships, which engage primarily in fixed-income arbitrage. Adhia Derivative Variable Life Fund is a limited partnership, which invest primarily in derivative based strategies.</p> | |
| Part II, 9.D | <p>PARTICIPATION OR INTERESTS IN CLIENT TRANSACTIONS</p> <p>Adhia Investment Advisors advises clients on investment in the Adhia Arbitrage Fund, LP, Adhia Arbitrage Variable Life Fund, LP, Adhia Derivative Variable Life, LP, investment partnerships for which Adhia Investment Advisors is the General Partner.</p> | |
| Part II, 9.E | <p>PURCHASE AND SALE OF SECURITIES BY MEMBERS OF THE FIRM</p> <p>Adhia Investment Advisors, its Associated Persons, and certain of their relatives, may purchase or sell securities for their own accounts based on personal investment considerations and without regard as to whether the purchase or sale of any such security is appropriate for clients.</p> <p>Adhia Investment Advisors, its Associated Persons, and certain of their relatives may purchase securities of the same class as those held in a client's account.</p> <p>From time to time, trading by Adhia Investment Advisors, its Associated Persons, and certain of their relatives in particular securities may be restricted in recognition of impending investment decisions on behalf of clients.</p> <p>It is Adhia Investment Advisor's policy not to permit Adhia Investment Advisors, its Associated Persons, or certain of their relatives to trade in a manner that takes advantage of price movements caused by client transactions. If transactions orders for a client and Adhia Investment Advisors and/or its associated persons, or certain of their relatives are not aggregated, (see discussion under Schedule F, Part II, 12 & 13.A) then transaction orders from Adhia Investment Advisors, its Associated Persons, and their relatives will be the last orders filled.</p> <p>From time to time Adhia Investment Advisors may cause clients, including pooled funds managed by Adhia Investment Advisors, to purchase securities in which Adhia Investment Advisors or associates of Adhia Investment Advisors has an ownership position.</p> | |

Schedule F of Form ADV continued on next page.

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| Part II, 10 | <p>MINIMUM DOLLAR VALUE OF ASSETS REQUIRED TO ESTABLISH AN ACCOUNT</p> <p>The Hedge Funds, investment partnerships, for which Adhia Investment Advisors serves as the General Partner, requires a minimum initial subscription of \$500,000 and \$100,000, and has restrictions on redemptions. The capital requirements and restrictions of the Hedge Funds are outlined in their respective Offering Memoranda.</p> <p>Managed Accounts, separately managed portfolios advised by Adhia Investment Advisors, do not require a minimum value of assets to either be opened or maintained.</p> | |
| Part II, 12 & 13.A | <p>INVESTMENT AND BROKERAGE DISCRETION ECONOMIC BENEFIT IN CONNECTION WITH GIVING ADVICE TO CLIENTS</p> <p>Generally, Adhia Investment Advisors' clients have granted Adhia Investment Advisors complete discretion over the selection and amount of securities to be bought or sold for clients (within the parameters established by any agreements between the parties); Adhia Investment Advisors is not generally required to obtain the consent or approval of any client in connection with any investment transaction or decision.</p> <p>In most cases, Adhia Investment Advisors also has complete discretion over the selection of brokers and dealers ("broker-dealers") to execute securities transactions for its clients and the negotiation of compensation arrangements with such broker-dealers. In addition to using broker-dealers as agents and paying commissions, Adhia Investment Advisors may cause clients to buy or sell securities directly from or to broker-dealers acting as principal (such as market-makers for over-the-counter securities) at prices that include markups or markdowns, and may buy securities from underwriters or broker-dealers in public offerings at prices that include compensation to the underwriters or broker-dealers. The following discussion summarizes the material aspects of Adhia Investment Advisors' practices in selecting broker-dealers to execute client transactions.</p> <p><i>Selection Criteria</i></p> <p>Although it is not required to consider any specific criteria, Adhia Investment Advisors generally seeks "best execution" of securities transactions in light of the circumstances existing at the time individual transactions are executed. In evaluating a broker-dealer's ability to provide best execution, Adhia Investment Advisors considers a range of factors, including historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error correction capabilities of the broker-dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker-dealer's willingness to commit capital; the broker-dealer's reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the nature, quantity and quality of research provided by the broker-dealer; and the market for the security. Adhia Investment Advisors is not obligated to obtain the lowest commission or best net price for an account on any particular transaction.</p> | |

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| Part II, 12 & 13.A <i>continued</i> | <p><i>Soft Dollars</i></p> <p>Adhia Investment Advisors may select a broker-dealer in recognition of the value of various services or products, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors, it believes the broker-dealer can provide best execution. The amount of compensation (including markups and markdowns on principal transactions with market-makers) paid to such broker-dealer may be higher than what another, equally capable broker-dealer might charge. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." Because many of those services could benefit Adhia Investment Advisors, it may have a conflict of interest in allocating securities transactional business, including an incentive to effect more transactions than it might otherwise do in order to obtain those benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars. Where a particular service or product provides benefits to Funds, other clients, and/or Adhia Investment Advisors itself, Adhia Investment Advisors may (but is not obligated to) allocate the cost among those persons receiving its benefits. The agreements between Adhia Investment Advisors and its clients generally authorize Adhia Investment Advisors to use client soft dollars for a wide range of purposes.</p> <p><i>Research and Brokerage</i></p> <p>Adhia Investment Advisors may use soft dollars to acquire a variety of "research" and "brokerage" services and products for which a client would not otherwise be required to pay. A federal statute, Section 28(e) of the Securities Exchange Act of 1934, recognizes the potential conflict of interest involved in this activity but protects investment managers such as Adhia Investment Advisors from claims that the activity involves a breach of fiduciary duty to advisory clients—even if the brokerage commissions paid are higher than the lowest available—if certain conditions and requirements are met. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to Adhia Investment Advisors in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for Adhia Investment Advisors' clients or to assist in effecting those transactions. To be protected under Section 28(e), Adhia Investment Advisors must, among other things, determine that commissions paid are reasonable in light of the value of the "brokerage" and "research" services and products acquired. Section 28(e)'s "safe harbor" protects the use of client soft dollars even when Adhia Investment Advisors uses research and brokerage services and products to benefit other clients. Notwithstanding this protection, Adhia Investment Advisors could be considered to have a conflict of interest when it uses soft dollars for research and brokerage services and products because it might otherwise have to pay cash for those services and products and it may have an incentive to use broker-dealers who provide those products and services more than it otherwise would. The types of "research" Adhia Investment Advisors expects to acquire include (but are not limited to): reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems, quotation equipment and other computer hardware for use in running software used in investment decision making; and other products or services that may enhance Adhia Investment Advisors' investment decision</p> |

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| Part II, 12 & 13.A <i>continued</i> | <p>making. "Brokerage" services and products (beyond typical execution services) include (but are not limited to): computer systems and facilities used for such things as communicating orders electronically to executing broker-dealers.</p> <p><i>Other Services and Products</i></p> <p>With client consent, Adhia Investment Advisors may also use client soft dollars to acquire services and products that provide benefits to Adhia Investment Advisors and that may not qualify as research or brokerage and/or to pay expenses otherwise payable by Adhia Investment Advisors. These may include (but are not limited to): expenses of and travel to professional and industry conferences and hardware and software used in Adhia Investment Advisors' administrative activities. They may even include such "overhead" expenses as office rent, salaries, benefits and other compensation of employees or of consultants to Adhia Investment Advisors, telephone charges, legal and accounting expenses of Adhia Investment Advisors and office services, equipment and supplies. Adhia Investment Advisors may or may not use other clients' soft dollars to pay such expenses and, if it does, such use may not be directly proportionate to the benefits received. Using soft dollars for these purposes would not be protected by Section 28(e) and Adhia Investment Advisors will have a conflict of interest if it does so, as it will have an incentive to use broker-dealers who provide or pay for products and services for which Adhia Investment Advisors would otherwise have to pay cash and, if soft dollars are limited, it may have an incentive to cause those expenses to be paid with soft dollars while its clients pay their own expenses with cash.</p> <p><i>Review</i></p> <p>Adhia Investment Advisors monitors transaction results as orders are executed to evaluate the quality of execution provided by the broker-dealers it uses, to determine whether compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those broker-dealers in light of all of the factors described above.</p> <p><i>Referrals of Investors and Advisory Clients</i></p> <p>In selecting a broker-dealer, Adhia Investment Advisors may consider the broker-dealer's referrals of investors to investment funds Adhia Investment Advisors manages, referrals of advisory clients to Adhia Investment Advisors, the potential for future referrals, and/or the broker-dealer's willingness to pay third-party finders' fees for such referrals. The conflict of interest involved in using soft dollars to pay for these types of services and products and to defray these types of expenses is also not protected by the Section 28(e) safe harbor.</p> <p><i>Procedures</i></p> <p>Broker-dealers from which Adhia Investment Advisors obtains soft dollar services or products generally establish "credits" based on past transactional business (including markups and markdowns on principal transactions, such as transactions with market-makers for Nasdaq securities), which may be used to pay or reimburse Adhia Investment Advisors for specified expenses. In some cases the process is less formal; a broker-dealer simply may suggest a level of future business that would fully compensate the broker-dealer for services or products it provides. Adhia Investment Advisors' actual transactional business with a broker-dealer may be less than the suggested level but can—and often will—exceed</p> |

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| Part II, 12 & 13.A <i>continued</i> | <p>that level, and credits established may exceed the amounts used to acquire services and products. This may be in part because investment activities generate aggregate commissions in excess of the levels of future business suggested by all broker-dealers who provide services and products. And it may be in part because those broker-dealers may also provide superior execution and may therefore be most appropriate for particular transactions. Adhia Investment Advisors may ask a broker-dealer who is executing a transaction for several accounts managed by Adhia Investment Advisors (see the discussion below regarding aggregation of orders) to "step out" of a portion of the transaction in favor of a broker-dealer who has provided or is willing to provide products or services for soft dollars. That is, the executing broker-dealer will allow a portion of the overall commissions or other compensation to be paid to the soft-dollar broker-dealer. This assists Adhia Investment Advisors in acquiring products and services with soft dollars while providing the benefits of aggregated transactions as described below. It may result in a client paying additional commissions or other transaction compensation to the broker-dealer to whom the Partnership's portion of an aggregated transaction is "stepped out" and therefore incurring Advisors who are buying or selling the same security at the same time. These procedures are generally consistent with the requirements of Section 28(e) when the products or services acquired constitute research and/or brokerage. However, Section 28(e)'s safe harbor is not available where transactions are effected on a principal basis, as most transactions with market-makers in over-the-counter securities are, with a markup or markdown paid to the broker-dealer. Adhia Investment Advisors may nonetheless use such markups and markdowns as soft dollars with which to acquire services and products of the kinds described above.</p> <p><i>Prime Brokerage, Custody, Clearing and Settling</i></p> <p>Portfolios for which Adhia Investment Advisors serves as the investment advisor may have a "prime brokerage" arrangement with a registered broker-dealer (the "Prime Broker"). Under this type of arrangement, the Prime Broker, among other things, (i) arranges for the receipt and delivery of securities bought, sold, borrowed and lent; (ii) makes and receives payments for securities; (iii) maintains custody of cash and securities; (iv) tenders securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; and (v) provides detailed portfolio and related reports. Adhia Investment Advisors may cause clients to pay for custodial and related services either in cash or by allocating a portion of its business to the Prime Broker.</p> <p><i>Aggregation of Orders</i></p> <p>Adhia Investment Advisors performs investment advisory services for multiple clients. Under certain circumstances, portfolio transactions may be executed as part of concurrent authorizations to buy or sell the same security for numerous accounts serviced by Adhia Investment Advisors, some of which may have similar investment objectives. Although such concurrent authorizations could be either advantageous or disadvantageous as to a particular account, they will be effected only when Adhia Investment Advisors believes that to do so is in the best interests of the effected accounts. When such concurrent authorizations occur, Adhia Investment Advisors will generally seek the most equitable allocation of such executions among the effected accounts.</p> |

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| Part II, 12 & 13.A <i>continued</i> | <p><i>Directed Brokerage</i></p> <p>Some clients may instruct Adhia Investment Advisors to use one or more particular brokers or dealers for some of the transactions in their accounts. Similarly, where Adhia Investment Advisors acts as the general partner or investment manager for an investment partnership or collective investment fund, Adhia Investment Advisors may cause the fund to send brokerage to brokers or dealers to pay for fund expenses. In some cases, Adhia Investment Advisors implements clients' directions by asking a broker-dealer with whom an aggregated transaction has been placed to "step out" of a portion of the transaction in favor of a broker to which a client has directed Adhia Investment Advisors to send brokerage business - i.e., allow the commissions as to a particular client's portion of the transaction to be paid to the client's directed broker. This is intended to allow all clients to obtain the same average price while accommodating directed brokerage requests. However, "step out" arrangements may not be practicable in all cases. Clients who may want to direct Adhia Investment Advisors to use a particular broker-dealer should understand that their direction may prevent Adhia Investment Advisors from aggregating orders with other clients or from effectively negotiating brokerage compensation on their behalf, and they may even prevent Adhia Investment Advisors from obtaining the most favorable net price and execution. Thus, in directing brokerage business, those clients may lose possible advantages that nondesignating clients may have and they should consider whether the commission expenses, and execution, clearance, and settlement capabilities, they will obtain through their directions are adequately favorable in comparison to those that otherwise will be attained for clients to justify their direction of their brokerage business.</p> | |
| Part II, 13.B | <p>ADDITIONAL COMPENSATION - FOR CLIENT REFERRALS</p> <p>Adhia Investment Advisors may enter into arrangements with various parties to compensate such persons for solicitation and other client-related services for Adhia Investment Advisors' clients and prospective clients. Under the arrangements, generally, Adhia Investment Advisors pays a portion of its advisory fee to the solicitor. Any such arrangement must and do comply with Rule 206(4)-3 under the Investment Advisers Act of 1940</p> | |