

## Tiger Asia Management, LLC

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Part 2A of Form ADV: Firm Brochure  
May 29, 2012

This brochure provides information about the qualifications and business practices of Tiger Asia Management, LLC. You should review this brochure in conjunction with the brochure supplement for certain employees who advise your account for more information on the qualifications of Tiger Asia Management, LLC and its employees. Information herein is provided in response to instructions and guidance issued in connection with Form ADV Part 2A. You should refer to those materials, including defined terms used therein, in reviewing this brochure. If you have any questions about the contents of this brochure, please contact Michael Satine at [michael.satine@tigerasiafund.com](mailto:michael.satine@tigerasiafund.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Tiger Asia Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

## ITEM 2. MATERIAL CHANGES

This brochure dated May 29, 2012, is the second amendment to the Tiger Asia Management, LLC brochure.

Tiger Asia Management, LLC's original brochure is dated February 14, 2012. Tiger Asia Management, LLC's first amended brochure is dated April 26, 2012.

Tiger Asia Management, LLC will update this brochure: 1) annually, and 2) promptly when certain information becomes materially inaccurate. This section contains a description of material changes to the brochure since the last annual update. These material changes are as follows:

- The response to Item 9 updates information with respect to subsequent developments in the litigation matters discussed therein.
- The response to Item 13 now reflects the fact that investors in Tiger Asia Fund, L.P., Tiger Asia Overseas Fund, Ltd., and the Liquidating SPVs (defined below) receive monthly account statements, quarterly reports, and quarterly letters as set forth further in Item 13.
- The response to Item 15 now reflects the fact that Tiger Asia Fund, L.P., Tiger Asia Overseas Fund, Ltd., and the Liquidating SPVs (defined below) have engaged an independent representative to receive certain account statements from the Funds' qualified custodians.
- The responses now reflect that the firm's only clients are Tiger Asia Fund, L.P., Tiger Asia Overseas Fund, Ltd., and the Liquidating SPVs and that Tiger Asia Fund of Funds is operated as a proprietary account.

Each year Tiger Asia Management, LLC must (i) deliver, within 120 days of the end of its fiscal year, to each client a free updated brochure that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) deliver to each client a summary of material changes that includes an offer to provide a copy of the updated brochure and information on how a client may obtain the brochure. You can request our brochure at any time by contacting Michael Satine at [michael.satine@tigerasiafund.com](mailto:michael.satine@tigerasiafund.com).

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## **ITEM 4. ADVISORY BUSINESS**

### **The Adviser**

Tiger Asia Management, LLC is an investment adviser organized as a Delaware limited liability company on October 9, 2001. Tiger Asia Management, LLC's principal owner is Sung Kook ("Bill") Hwang (the "Managing Member").

### **Advisory Services**

Tiger Asia Management, LLC and certain of its affiliates that serve as general partners of the Funds (as defined below) (collectively, "Tiger Asia" or the "Adviser") provide investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act"), and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act"). The Funds currently advised by Tiger Asia are: (i) Tiger Asia Fund, L.P. (the "Onshore Fund") and (ii) Tiger Asia Overseas Fund, Ltd. (the "Offshore Fund" and, together with the Onshore Fund, the "Tiger Asia Funds" or the "Funds"). In addition, Tiger Asia manages two liquidating special purpose vehicles holding certain claims against Lehman Brothers group as a result of the bankruptcy of Lehman Brothers (the "Liquidating SPVs"). Interests in the Liquidating SPVs are held by the Tiger Asia Funds and certain withdrawn or redeemed investors of the Tiger Asia Funds.

The Tiger Asia Funds have one principal strategy and invest in a "side-by-side" basis. The Tiger Asia Funds seek to achieve consistent and significant capital appreciation with reduced market risk primarily through a combination of long and short Asian stock investments. The Funds invest primarily in long and short positions of equity securities of companies located in Korea, Japan and Greater China, including mainland China, Taiwan, and Hong Kong. The Funds also make investments in companies outside of Korea, Japan and Greater China when and if specific knowledge learned from researching Korean, Japanese and Chinese companies can be applied to these companies.

Tiger Asia provides services to the Funds in accordance with the applicable Fund's investment advisory agreement and organizational and offering documents. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

As the investment adviser of the Funds, Tiger Asia's services consist, among other things, of identifying and researching investment opportunities for the Funds, making investment decisions to purchase, sell, hold or otherwise act with respect to the Funds' holdings and managing and monitoring the Funds' positions and exposures. Investment advice is provided directly to the Funds, and not individually to the investors in the Funds.

Investors in the Funds should refer to the offering memoranda of the applicable Fund for more information regarding their investment. Information regarding certain of the investment risks associated with an investment in the Funds is included in Appendix A hereto. The Adviser does not participate in wrap fee programs.

### **Assets Under Management**

As of December 31, 2011, Tiger Asia managed \$2,145,157,984 in regulatory assets under management on a discretionary basis and \$0 on a non-discretionary basis, inclusive of the Funds and a proprietary account of the Managing Member that invests in certain third party funds.

### **ITEM 5. FEES AND COMPENSATION**

As provided under the governing documents of the Funds, Tiger Asia will receive from the Funds both a management fee at a fixed rate and a performance fee and/or allocation based upon the performance of the Funds, as described further below. The Liquidating SPVs do not charge any fees.

#### **Management Fee**

The Tiger Asia Funds pay a management fee at a rate set forth in the offering documents of the applicable Fund, payable and deducted from investor's accounts in the Fund at the end of each month based on the net assets of the Fund. The management fee will be prorated for any period less than a full quarter. The management fee is debited from investor's accounts in the Funds.

The Funds' management fee is not negotiable. Tiger Asia may, however, in its sole discretion, reduce or waive the management fee with respect to investors that are members, principals, officers, employees or affiliates of Tiger Asia or relatives of such persons and for certain strategic investors.

#### **Performance Fee or Allocation**

Except as provided below, and as set forth further in the organizational documents of each Fund, for each fiscal year, Tiger Asia will be entitled to a performance fee or allocation (the "Performance Fee or Allocation") calculated based on the net profits of the Fund (including net realized and unrealized gains), subject to a loss carryforward provision. The rate of the Performance Fee or Allocation for the Tiger Asia Funds is set forth in the applicable Fund's organizational documents.

Generally, any Performance Fee or Allocation will be deducted from each investor's account in a Fund as of the close of each fiscal year. In the event that an investor withdraws or redeems (in whole or in part) or is required to retire, the Performance Fee or Allocation will be calculated and debited through the date of withdrawal, redemption or retirement.

The Performance Fee or Allocation is not negotiable. Tiger Asia may, however, in its sole discretion, reduce or waive the Performance Fee or Allocation with respect to investors that are members, principals, officers, employees or affiliates of Tiger Asia or relatives of such persons and for certain strategic investors.

#### **Other Expenses**

As further described in the offering memoranda of the applicable Fund, generally Tiger Asia and its affiliates are authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable. Tiger Asia will generally be responsible for and shall pay, or cause to be paid, all of its Overhead Expenses, except as described below. For this purpose, "Overhead Expenses" for a fiscal year generally include overhead expenses of an ordinarily recurring nature such as rent, supplies, secretarial expenses, stationery, charges for furniture and fixtures, employee insurance, payroll taxes and compensation of analysts and other personnel, and other reasonable overhead expenses of the

applicable Fund as determined by Tiger Asia in its sole discretion. All other expenses will be borne by the Funds, including legal, accounting (including out-sourced accounting), back- and middle-back office services, auditing and other professional expenses, administration expenses, research and technical support expenses, investment expenses, such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and any other expenses reasonably related to the purchase, sale or transmittal of a Fund's assets as shall be determined by Tiger Asia in its sole discretion. The Liquidating SPVs shall pay all expenditures relating to the Liquidating SPV's activities, investments and business. Please refer to the discussion of Tiger Asia's brokerage practices in Item 12 below.

Tiger Asia and its supervised persons do not accept compensation or commissions for the sale of securities or other investment products.

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

As disclosed above under Item 5, FEES AND COMPENSATION, Tiger Asia receives a Performance Fee or Allocation. Payment of Performance Fees and Allocations at different rates (or varying effective rates) may cause a conflict of interest by causing an adviser to have an incentive to favor accounts for which it receives a higher rate (or effective rate) of performance fee or allocation. This potential conflict is mitigated by the Adviser's policies and procedures regarding allocation, including that Funds managed by Tiger Asia that have the same investment strategy typically invest on a side-by-side basis. In addition, payment or allocation of a performance fee or allocation may create an incentive for the Adviser to cause a Fund to make investments that are riskier or more speculative than would be the case if this payment or allocation were not made. Since the payment or allocation is calculated on a basis which includes unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains.

## **ITEM 7. TYPES OF CLIENTS**

Tiger Asia currently provides investment advisory services to the Funds and Liquidating SPVs. Investment advice is provided directly to the Funds and Liquidating SPVs, subject to the discretion and control of the general partner or the board of directors of the applicable fund and not individually to the investors in the funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the 1940 Act and the Securities Act. Investors in the Funds may include high net worth individuals, trusts, estates, charitable organizations, pension plans, corporations, limited partnerships, limited liability companies, and similar entities.

Tiger Asia may in the future provide advisory services to other funds and separately managed accounts for high net worth individuals, trusts, estates, charitable organizations, pension plans, corporations, limited partnerships, limited liability companies, and similar entities.

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

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

The Funds managed by Tiger Asia utilize the investment strategies described below. There can be no assurance that any Fund will achieve its investment objective. Investing in securities involves risk of loss, including loss of all the principal amount invested, that clients should be prepared to bear.

## Tiger Asia Funds

The Tiger Asia Funds seek to achieve consistent and significant capital appreciation with reduced market risk primarily through a combination of long and short Asian stock investments.

The Funds invest primarily in long and short positions of equity securities of companies located in Korea, Japan and Greater China (including mainland China, Taiwan and Hong Kong). The Funds also make investments in companies outside of Korea, Japan and Greater China when and if specific knowledge learned from researching Korean, Japanese and Chinese companies can be applied to these companies including companies that compete with Korean, Japanese and Chinese companies.

Tiger Asia generally performs frequent and detailed interviews with companies' management, regulators, competitors, suppliers, customers and other experts in respective industry sectors, in order to identify individual long and short positions in which to invest. Particularly, Tiger Asia makes significant efforts to thoroughly assess the ability and motivation of each target company's management, which Tiger Asia believes to be the most important factor in selecting investments. Tiger Asia also conducts due diligence and investigative studies on the products and services of the companies. Based on the information acquired through interviews and independent research, Tiger Asia generally develops financial models to forecast a specific company's revenue, earnings and cash flow. From time to time Tiger Asia may proactively consult with companies' management, suggesting ideas that will enhance value for all shareholders.

## Investment Risks

Please refer to Appendix A for a description of the investment risks associated with an investment in the Funds.

## **ITEM 9. DISCIPLINARY INFORMATION**

On August 7, 2009, Tiger Asia learned that the Hong Kong Securities and Futures Commission ("SFC") had applied to the High Court of Hong Kong for an order relating to Tiger Asia's trades of shares in a Hong Kong listed security and naming Bill Hwang, Ray Park and William Tomita. Tiger Asia was subsequently served with the SFC's application, which seeks an injunction freezing HK\$29.9m/US\$4m worth of Tiger Asia's assets (an amount allegedly equivalent to Tiger Asia's profit from the allegedly improper trades) and certain ancillary restrictions on Tiger Asia's future trading.

Tiger Asia denies the SFC's accusations of wrongdoing, and Tiger Asia filed an opposition to the SFC's application on November 16, 2009. The SFC made a supplemental filing in support of its application on January 11, 2010. On April 23, 2010, the SFC amended its application to incorporate allegations relating to Tiger Asia's trades in shares of another Hong Kong listed security in late December 2008 and mid-January 2009. The SFC's amended application seeks an injunction freezing an additional HK\$8.6 million (US\$1.1 million) for a total of HK\$38.5 million (US\$5.0 million). This US\$1.1 million is allegedly equivalent to the profit related to the additional trading activities allegedly undertaken by Tiger Asia. With its amended application, the SFC also has sought an injunction to prohibit Tiger Asia from trading in Hong Kong listed securities or their derivatives. Tiger Asia filed an opposition to the amended application and also filed a strike out summons to dismiss the SFC's amended application. On June 21, 2011, the High Court of Hong Kong handed down a written decision in favor of Tiger Asia, ruling that the SFC had improperly brought the action against Tiger Asia under an inapplicable provision of the Securities and Futures Ordinance and that, as a result, the SFC's application should be dismissed. The SFC appealed the court's decision, and a hearing on the appeal was held in front of the Court of Appeal on February 7-8, 2012. On February 23, 2012, The Court of Appeal reversed the lower court's decision and reinstated the SFC's application. Tiger Asia sought leave to appeal the court's decision to the Court

of Final Appeal, and on April 18, 2012, leave was granted. At this point, it is too early to determine how long the appeals process will take or what the outcome will be. The hearing on the appeal is not expected to take place before October 2012, and could occur several months thereafter.

In addition, the U.S. Securities and Exchange Commission and U.S. Attorney's office for the District of New Jersey are investigating conduct relating to Tiger Asia's trading in Hong Kong listed securities during December 2008 and January 2009, as well as trading in the securities of a Japanese listed company during March 2009. The Securities and Exchange Surveillance Commission of Japan is similarly investigating conduct relating to Tiger Asia's trading in the securities of the Japanese listed company during March 2009.

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

### **Related Broker-Dealers**

Neither Tiger Asia nor any of its management persons is registered or have an application pending to register as a broker-dealer or a registered representative.

### **Related Futures Commission Merchant/Commodity Pool Operator/Commodity Trading Advisor**

Neither Tiger Asia nor any of its management persons is registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or as an associated person of any of the foregoing entities.

### **Related General Partner/Affiliated Adviser**

An affiliate of Tiger Asia serves as general partner of the Onshore Fund and other proprietary accounts. For a description of material conflicts of interest created by the relationship among Tiger Asia and the general partner, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

### **Code of Ethics**

Tiger Asia has adopted a Code of Ethics ("Code of Ethics") that states it generally is improper for Tiger Asia or its personnel to (i) use for their own benefit (or the benefit of anyone other than a client) information about Tiger Asia's trading or investment recommendations for any Fund; or (ii) take advantage of investment opportunities that would otherwise be available for Funds. The Code of Ethics also prohibits employees and certain of their family or household members from engaging in, or helping others engage in, "insider trading," as described in the Code and Tiger Asia's compliance policies and procedures. The Code also outlines written policies and procedures regarding, among other things:

- Pre-approval requirements for employees serving as officers or directors of certain unaffiliated entities;
- Contacts with paid research consultants; and
- Personal trading restrictions for employees and their family and household members, including pre-clearance requirements and initial, quarterly and annual reporting requirements.



This summary of the Code of Ethics is qualified in its entirety by the Code of Ethics of Tiger Asia, which is available to clients and prospective clients upon request sent to Michael Satine at michael.satine@tigerasiafund.com.

### **Conflicts of Interest**

The material reportable conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and in the offering documents of each Fund and these materials should be read in their entirety.

Tiger Asia (and its respective members, principals, partners, officers, directors, employees and affiliates) may conduct investment activities for their own accounts, and may, in the future, conduct activities for additional funds or client accounts, including in the investment funds operated primarily for employees, principals and affiliates of Tiger Asia. Such other entities or accounts may have investment objectives or may implement investment strategies similar to those of a Fund.

Tiger Asia (or its respective members, principals, officers, employees and affiliates) may give advice or take action with respect to a Fund that differs from the advice given with respect to another Fund. To the extent a particular investment is suitable for more than one Fund such investments will be allocated between the Funds pro rata based on assets under management or in some other manner which Tiger Asia determines is fair and equitable under the circumstances to all clients. From the standpoint of a Fund simultaneous identical portfolio transactions for Funds may tend to decrease the prices received, and increase the prices required to be paid, by a Fund for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Funds in an equitable manner as determined by Tiger Asia.

In addition, purchase and sale transactions (including swaps) may be effected between Funds subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no brokerage commission fee (except for customary transfer fees or commissions to third party brokers) or other remuneration shall be paid in connection with any such transaction.

Tiger Asia has entered into a contract with Tiger Management L.L.C. ("TMLLC") and its principal owner, Julian H. Robertson, Jr., pursuant to which certain Funds will allocate or pay over to Mr. Robertson a portion of the Performance Fee or Allocation that would otherwise be earned by Tiger Asia. TMLLC, Mr. Robertson and their affiliates do not have an equity stake in Tiger Asia, the general partner or the Managing Member. TMLLC, Mr. Robertson and their affiliates are also not involved in the investments decision or management of the Funds and do not have any management obligations pertaining to the Funds, although Mr. Robertson is available to consult with the Managing Member from time to time. Further, it should be noted that the Managing Member may generate ideas for TMLLC from time to time; however, the Managing Member believes that doing so will be synergistic with the services the Managing Member performs for Tiger Asia and the general partner and will at all times protect the interests of the Funds.

As a result of the foregoing, Tiger Asia (and its members, principals, officers, employees and affiliates) may have conflicts of interest in allocating their time and activity between the Funds, in allocating investments among the Funds and in effecting transactions between the Funds, including ones in which the Tiger Asia (and its members, principals, officers, employees and affiliates) may have a greater financial interest.

Tiger Asia will use its best efforts in connection with the purposes and objectives of the Funds and will devote so much of its time and effort to the affairs of the Funds as may, in its judgment, be necessary to accomplish the purposes of the applicable Fund. The governing document of the Funds generally specifically provides that Tiger Asia (or its members, principals, employees, officers and affiliates) may conduct any other business including any business within the securities industry whether or not such business is in competition with the Funds. Without limiting the generality of the foregoing, Tiger Asia (or its members, principals, officers, employees and affiliates) may act as investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. The governing document of the Funds also recognize that it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Funds for the same investment positions to be taken or liquidated at the same time or at the same price.

## **ITEM 12. BROKERAGE PRACTICES**

### **Brokerage Policy and Procedures**

Tiger Asia is authorized to determine the broker or dealer to be used for each securities transaction for the Funds. In selecting brokers or dealers to execute transactions, Tiger Asia need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Tiger Asia's practice to negotiate "execution only" commission rates, thus the Funds may be deemed to be paying for research and execution services provided by the broker or brokers which are included in the commission rate(s).

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Tiger Asia expects to limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Brokerage and research services obtained by the use of commissions arising from a Fund's portfolio transactions may be used by Tiger Asia in its other investment activities. As a result of these arrangements a Fund may end up paying higher commission rates than it would otherwise pay in instances in which a Fund will not benefit from services obtained from those commissions. In addition to the foregoing, services other than brokerage and research will be limited to services that would otherwise be a Fund expense. In selecting brokers and negotiating commission rates, Tiger Asia will take into account a variety of factors, such as the financial stability and reputation of brokerage firms, the brokerage, research and related execution services and other services provided by such brokers and the referral of investors (consistent with best execution), although a Fund may not, in any particular instance, be the direct or indirect beneficiary of the research or related services provided. Tiger Asia may for some Funds place transactions with a broker or dealer that (i) provides Tiger Asia (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker dealer or (ii) refers investors to a Fund, if otherwise consistent with seeking best execution; provided Tiger Asia is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors. Tiger Asia does not have client directed brokerage arrangements.

### **Aggregation of Orders**

In its discretion, Tiger Asia may "bunch" buy or sell orders for two or more clients into a single large order, and place the bunched order with a single broker or dealer for execution. In many instances, such "bunching" of orders can result in lower commissions, a more favorable net price or more efficient execution than if each client's order were placed separately. There may, however, be instances in which

order bunching results in a less favorable transaction than a particular client would have obtained by trading separately. Similarly, when orders are not bunched, there may be circumstances when purchases or sales of portfolio securities for one or more clients will have an adverse effect on other clients. Tiger Asia is not obligated to place all transactions on a “bunched” basis, and in determining whether or not to “bunch” orders Tiger Asia relies on the judgment of the Managing Member as to what course of action is likely to be fair and in the best interests of the relevant accounts on an overall basis. That is, Tiger Asia seeks to avoid putting any client account at an advantage or disadvantage compared to Tiger Asia’s other client accounts that are buying or selling the same security. Each client participating in a “bunched” order will participate at the same price as all other participants, and all transaction costs on the order will be allocated pro rata to all participating clients.

## **ITEM 13. REVIEW OF ACCOUNTS**

### **Oversight and Monitoring**

Tiger Asia provides continuous advisory services for the Funds. The portfolio investments of each Fund are primarily reviewed by a team of investment professionals, which currently includes the Managing Member, the chief financial officer, the chief compliance officer and members of the trading department.

### **Reporting**

Tiger Asia has engaged an independent public accounting firm to prepare annual audited financial statements of the Tiger Asia Funds, which investors receive. Investors in the Funds also receive quarterly reports and quarterly letters, reflecting quarterly performance. In addition, the administrator for the Tiger Asia Funds and the SPVs sends monthly account statements directly to investors. Investors should carefully review those statements.

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

Tiger Asia does not receive compensation from non-clients, and does not participate in referral arrangements.

## **ITEM 15. CUSTODY**

The Funds and Liquidating SPVs’ administrator prepares monthly account statements and delivers them to investors. The Funds and Liquidating SPVs’ qualified custodians send statements at least quarterly to an independent representative of the Funds and Liquidating SPVs, who compares the account statements received from the qualified custodians to the account statements that the administrator delivers to investors.

## **ITEM 16. INVESTMENT DISCRETION**

Tiger Asia provides investment advice directly to its Funds pursuant to a written investment advisory agreement and/or organizational documents of the applicable Fund. No investment advice is provided directly to Fund investors. Powers of attorney and any restrictions on Tiger Asia’s authority are set forth in the organizational documents, investment advisory agreements and/or subscription documents of the Funds.

## **ITEM 17. VOTING CLIENT SECURITIES**

Tiger Asia has adopted policies and procedures designed to help ensure that proxies are voted in the best interests of its clients in accordance with Tiger Asia’s fiduciary duties and Rule 206(4)-6 under the

Advisers Act. The guiding principle by which Tiger Asia votes all proxies is to vote in the best interests of the Funds. Tiger Asia will classify all requests for stockholder voting authority and related proxy materials as routine (e.g., uncontested director elections, reappointment of independent audit firms and issues reflecting social or environmental concerns) or non-routine. In the case of any routine matter, Tiger Asia generally will vote in accordance with the recommendations of the issuer's management unless, in the opinion of the Managing Member, such interest are not in the best interest of the Tiger Asia Funds. In the case of any non-routine matter, the Managing Member will determine how to vote. Tiger Asia's Chief Compliance Officer ("CCO") has the responsibility to monitor voting decisions for any conflicts of interest, regardless of whether they are actual or perceived. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the relevant clients.

This summary of Tiger Asia's voting policies and procedures is qualified in its entirety by Tiger Asia's voting policies and procedures. Tiger Asia will make information regarding how proxies were voted available upon request to any client and a copy of Tiger Asia's voting policies and procedures is available to any client upon request sent to Michael Satine at michael.satine@tigerasiafund.com.

#### **ITEM 18. FINANCIAL INFORMATION**

Item 18.A is not applicable to Tiger Asia, as it does not require or solicit prepayment of fees six months or more in advance.

In response to Item 18.B, Tiger Asia is not currently aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds.

Item 18.C is not applicable to Tiger Asia, as it has not been subject to a bankruptcy petition during the past ten years.

#### **ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Item 19 is not applicable to Tiger Asia as it is not registered with any State securities authority.

## **Exhibit A**

The following is a summary of the investment risks associated with an investment in the Funds. There is no guarantee that this is a complete list of the risks, that a Fund will be able to control these risks or that the risks will not aggregate in a manner adverse to a Fund. Additional risks associated with an investment in a Fund may be disclosed in the offering documents of that Fund.

An investment in a Fund involves a high degree of investment risk, including the risk that the entire amount invested may be lost. No guarantee is made that the investment objectives of a Fund will be realized.

### *Regulatory Risk*

As discussed in Item 9 “Disciplinary Proceedings” the SFC has brought an action against the Adviser, the Managing Member and two employees which among other things seeks to enjoin them from trading in Hong Kong listed securities or their derivatives. While the Adviser believes it could continue to manage the Funds and pursue their existing investment strategy if such an injunction was granted there is some risk they would not be successful at doing so.

In addition, regulatory authorities either in the U.S. or elsewhere could bring either civil or criminal actions relating to the trading discussed in Item 9. Adverse rulings in such cases could impact the Adviser’s ability to carry out its advisory business.

### **Tiger Asia Funds**

#### *Non-Diversification*

While the Fund's portfolio will generally contain a number of both long and short positions, the Fund will be invested primarily in the markets of Korea, Japan and Greater China (including mainland China, Taiwan and Hong Kong), and, specifically, in companies with domestic revenue streams from the telecommunications, financial, retail, media and energy sectors. Accordingly, the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wide diversification among companies, securities, geographic areas and industry sectors. In particular, market changes or other events affecting the Asia Pacific region may have a more significant effect on the Fund's portfolio and the Asia Pacific markets may be more volatile than the U.S. equity markets.

#### *Market Risks*

The profitability of a significant portion of the Fund’s investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Tiger Asia will be able to predict accurately these price movements.

#### *Leverage*

While the use of margin borrowing can substantially improve the return on invested capital, such use may also increase the adverse impact to which the portfolio of the Fund may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the Fund's securities and other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the Fund's obligations and if the Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Fund's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount

of the Fund's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Fund's profitability.

#### *Lack of Liquidity of Fund Assets, Valuation*

Fund assets may, at any given time, include securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to accurately value any such investments. The Fund's ability to sell assets or derivatives may be adversely affected by limited trading volume, lack of a market maker, or legal restrictions. Other instruments, and in particular, caps, floors, collars and certain other derivatives, may also have varying liquidity and/or pricing availability. Short sales are particularly subject to liquidity risk because the Fund's purchase of securities or currencies to close out a short position can itself cause the price of the securities or currencies to rise further, thereby exacerbating the loss. It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other instruments traded on the exchange. It may not always be possible to execute a buy or sell order at the desired price or to liquidate an open position, either due to market conditions on exchanges or due to the operation of daily price fluctuation limits (the maximum permitted fluctuation in the price of a futures or options contract during any trading day) or "circuit breakers."

#### *Valuation*

Investments in privately placed securities of private companies will generally be valued at fair market value by Tiger Asia, in its sole discretion. With respect to privately placed securities of publicly traded companies, the Fund anticipates that it will value such securities based on the price of the publicly traded shares less an appropriate discount to reflect their illiquidity. It is noted that these investments may be extremely difficult to accurately value. In light of the foregoing, there is a risk that an investor who redeems all or part of his investment while the Fund holds such private investments will be paid an amount less than he would otherwise be paid if the actual value of such private investments is higher than the value designated by the Fund. Similarly, there is a risk that such investor might, in effect, be overpaid if the actual value of the private investment is lower than the value designated by the Fund. In addition, there is a risk that an investment in the Fund by a new investor (or an additional investment by an existing investor) could dilute the value of such private investments.

#### *Counterparty Risk*

Certain markets in which the Fund may effect transactions are "over-the-counter" or "interdealer" markets, and may also include unregulated private markets. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the investor to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund may also be exposed to similar risks with respect to non-U.S. brokers in jurisdictions where there are delayed settlement periods. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Fund to transact business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

The Fund may only close out “over-the-counter” transactions (including swaps and contracts for differences) with the relevant counterparty, and may only transfer a position with the consent of the particular counterparty. Also, if the counterparty defaults, the Fund will have contractual remedies pursuant to the agreement related to the transaction, but there is no assurance that contract counterparties will be able to meet their obligations pursuant to such contracts or that, in the event of default, the Fund will succeed in enforcing contractual remedies. There also may be documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims against the counterparty. The Fund thus assumes the risk that it may be unable to obtain payments owed to it under contracts relating to over-the-counter transactions or that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

### *Custodial Risk*

The Fund’s prime brokers will have custody of the Fund’s securities, cash, distributions and rights accruing to the Fund’s securities accounts. Rules of the Securities and Exchange Commission (the “SEC”) require the prime brokers to maintain physical possession and control of fully paid securities held in the Fund’s account and to establish certain reserves for the benefit of customers. However, subject to these limitations, the prime brokers generally have the ability to loan, pledge, and rehypothecate the securities in the Fund’s account, as is typical market practice, and may have insufficient assets to meet all of its obligations to customers in the event of an insolvency of the prime brokers. In such an event, the Fund would typically not have a right to recover its securities held by the prime brokers, but would rather have only an unsecured claim against the prime brokers and participate pro rata with other customers of the prime brokers in the proceeds of the sale of customer securities. Also, even if the prime brokers do have sufficient assets to meet all customer claims, there could be a delay before the Fund receives assets to satisfy its claims. In order to manage the risks associated with prime broker insolvency, the Fund may establish relationships with multiple prime brokers. However, there can be no assurance that the Fund will be able to establish or maintain such relationships. In addition, the Fund may not be able to identify potential solvency concerns with respect to the Fund’s prime brokers or to transfer assets from one prime broker to another prime broker in a timely manner.

The prime brokers may hold the Fund’s securities through third parties such as clearing corporations, other brokers or banks. In addition, the Fund may hold securities, cash and other assets directly with banks or other third parties not associated with the prime brokers. As a result, the Fund may be subject to credit risk with respect to such third parties as well as with respect to the prime brokers. In addition, certain of the Fund’s assets may be held by non-U.S. affiliates of the Fund’s prime brokers and entities other than the prime brokers. Assets held by such non-U.S. affiliates may be subject to legal regimes that provide fewer or different investment protections than the U.S. For example, the Fund may provide certain of its assets as collateral to counterparties in connection with “over-the-counter” derivatives contracts such as swaps, forwards and certain options, and is likely to be an unsecured creditor of any such counterparty in the event of its insolvency.

### *Emerging Markets and Other Non-U.S. Securities*

Investing in emerging market and other non-U.S. securities which are generally denominated in non-U.S. currencies involves certain risks and special considerations comprising both risks and opportunities not typically associated with investing in other more established economies or securities markets such as the securities of the United States Government or United States companies. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of

international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of Fund portfolio securities and cash with non-U.S. subcustodians and securities depositories; and (xv) overall greater volatility.

### *Short Sales*

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that the securities borrowed by the Fund in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

The SEC has in the past adopted interim rules requiring reporting of all short positions above a certain de minimis threshold. In addition, other non-U.S. jurisdictions where the Fund may trade have adopted reporting requirements. If the Fund's short positions or its strategy become generally known, it could have a significant effect on Tiger Asia's ability to implement its investment strategy. In particular, it would make it more likely that other investors could cause a "short squeeze" in the securities held short by the Fund forcing the Fund to cover its positions at a loss. Such reporting requirements may also limit Tiger Asia's ability to access management and other personnel at certain companies where Tiger Asia seeks to take a short position. In addition, if other investors engaged in copycat behavior by taking positions in the same issuers as the Fund, the cost of borrowing securities to sell short could increase drastically and the availability of such securities to the Fund could decrease drastically. Such events could make the Fund unable to execute its investment strategy. The SEC has recently adopted restrictions on the short sale of securities which fall more than 10 percent in a given day (referred to as the "circuit breaker" or "modified uptick" rule). It is unclear what effect these restrictions will have on the Fund, but Tiger Asia currently believes that it will be able to continue to carry out its investment strategy while complying with this rule. If the SEC or a non-U.S. regulator were to adopt additional restrictions on short sales, such restrictions could restrict the Fund's ability to engage in short sales in certain circumstances, and the Fund may be unable to execute its investment strategy as a result.

The SEC and regulatory authorities in other jurisdictions may adopt bans on short sales of certain securities in response to market events. Bans on short selling may make it impossible for the Fund to execute certain investment strategies and may have a material adverse effect on the Fund's ability to generate returns.

### *Equity Risk*

The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. A risk of investing in the Fund is that the equity securities in its portfolio will decline in value due to factors affecting equity securities markets generally or particular industries represented in



those markets. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which Tiger Asia believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame Tiger Asia anticipates. As a result, the Fund may lose all or substantially all of its investment in any particular instance.

#### *Special Situations and Distressed Securities*

The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such companies.

#### *Options*

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument's price will not change in the manner expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

#### *Investment in Illiquid Securities*

The Fund does not currently intend to invest in securities that are not readily marketable or that are only thinly traded ("Illiquid Securities"). However, should Tiger Asia believe it would benefit the Fund, the Fund may invest in Illiquid Securities. Illiquid Securities may include privately placed securities that are not registered under the Securities Act and may have little or no trading market. Pursuant to the Fund Agreement, Tiger Asia will value these investments at fair market value, but in many cases fair market value may be difficult to ascertain and there is a risk of mistaken valuations. In addition, the Fund may not be able to readily dispose of such investments, and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. These limitations on liquidity of the Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

### *Market Disruption and Geopolitical Risk*

The Fund is subject to the risk that war, terrorism, and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on the U.S. and world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Fund's investments. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and non-U.S. economies and markets generally. Those events as well as other changes in U.S. and non-U.S. economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Fund's investments. At such times, the Fund's exposure to a number of other risks described elsewhere in this section can increase.

### *Portfolio Turnover*

The Fund has not placed any limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time they have been held when, in the opinion of Tiger Asia, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate, may act to reduce the Fund's investment gains, or create a loss for investors and may result in taxable costs for investors depending on the tax provisions applicable to such investors.

### *Credit Market Illiquidity*

Credit markets have recently experienced a significant lack of liquidity. This lack of liquidity creates a number of risks. There can be no assurance that the market will, in the future, become more liquid and it may well continue to be volatile for the foreseeable future. It is also possible that illiquidity in the market could cause prices to decline further, which may force the Fund, to the extent it is leveraged, or other leveraged investment vehicles to sell assets to satisfy requirements under their borrowing arrangements or to meet margin calls, which could, in turn, create further downward price pressure. If there is a substantial decline in the market value of the Fund's portfolio of investments, investments may need to be liquidated quickly, and may not be liquidated at what Tiger Asia perceives to be fair value. Upheavals in the credit markets may cause margin borrowing costs and securities borrowing costs to increase or to make such arrangements unavailable. Such increases in borrowing costs may impact the Fund's ability to utilize leverage and generate returns.

### *Swaps and Counterparty Risks*

The Fund utilizes swaps and other derivative transactions to some degree where it believes it will further the objectives of the Fund. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose the Fund to unlimited risk of loss. Swaps may be used as an alternative to futures contracts. To the extent the Fund invests in repurchase agreements, swaps, forwards, futures, options and other "synthetic" or derivative instruments, counterparty exposures can develop and the Fund takes the risk of nonperformance by the other party on the contract. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits.

### *Fixed-Income Securities*

Tiger Asia expects the Fund to invest primarily in equity securities. However, the Fund may invest in bonds or other fixed-income securities, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. Such securities may be below “investment grade” and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer’s inability to meet timely interest and principal payments. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue lower rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

### *Futures and Related Options*

Tiger Asia reserves the right to buy and sell futures contracts and related options on behalf of the Fund, to the extent permitted by applicable law, at any time. A futures contract is an agreement between two parties to buy and sell a specific quantity of a commodity (including a securities index or an interest-bearing security) for a set price at a future date. The Fund may also buy and sell call and put options on futures or on securities indexes in addition to or as an alternative to purchasing or selling futures contracts, or, to the extent permitted by applicable law, to earn additional income.

The use of futures and options involves certain special risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies or other commodities or of the securities or currencies in the Fund’s portfolio which are the subject of the hedge (to the extent the Fund uses futures and options for hedging purposes). The successful use of futures and options further depends on Tiger Asia’s ability to forecast market or interest rate movements correctly. Other risks arise from the Fund’s potential inability to close out its futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit the Fund’s ability to engage in futures and options transactions.

### *Other Instruments and Future Developments*

The Fund may take advantage of opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized “synthetic” or derivative investments in the future. In addition, the Fund may take advantage of opportunities with respect to certain other “synthetic” or derivative instruments which are not presently contemplated for use by the Fund or which are currently not available, but which may be developed to the extent such opportunities are both consistent with the Fund’s investment objective and legally permissible for the Fund. Special risks may apply to the Fund’s investments in the future.

### *Investment in Small Companies*

There is no limitation on the size or operating experience of the companies in which the Fund may invest. Some small companies in which the Fund may invest may lack management depth or the ability to

generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

#### *Cash and Other Investments*

The Fund may invest all or a portion of its assets in cash or cash items for investment purposes, pending other investments or as provision of margin for futures or forward contracts. These cash items must be of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit, and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by Tiger Asia. While these investments generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses.

#### *Risks of Derivative Instruments*

The Fund may engage in a variety of derivative transactions. All derivative instruments, including options, forward contracts and swap contracts involve risks different from, and, in certain cases, greater than the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in the Fund.

Market Risk: This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to the Fund's interests.

Management Risk: Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument, but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative adds to the Fund's portfolio.

Counterparty Credit Risk: This is the risk that a loss may be sustained by the Fund as a result of the failure of the other party to a derivative transaction (usually referred to as a "counterparty") to comply with the terms of the derivative contract. The credit risk for exchange-traded derivatives is generally less than for over-the-counter derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides additional protections in the event of non-performance by the counterparty. For operational reasons, the Fund may allow the prime broker to retain possession of collateral. To the extent the Fund allows the prime broker or any over-the-counter derivative counterparty to retain possession of any collateral, the Fund may be treated as an unsecured creditor of such counterparty in the event of the counterparty's insolvency. Therefore, Tiger Asia considers the creditworthiness of each counterparty to an over-the-counter derivative in evaluating potential credit risk.

Documentation Risk: Many derivative instruments also have documentation risk. Because the contract for each over-the-counter derivative transaction is individually negotiated with a specific counterparty, there exists the risk that the parties may interpret contractual terms (e.g., the definition of default) differently when the Fund seeks to enforce its contractual rights. If that occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims against the counterparty.

Liquidity Risk: Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many over-the-counter derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price. Less liquid derivatives may also fall more in price than other securities during market falls.

Leverage Risk: Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

Regulatory Risk: The U.S. government recently proposed new regulation of the derivatives market. If these proposals are adopted, they could restrict the Fund's ability to engage in derivatives transactions and/or increase the costs of such derivatives transactions, and the Fund may be unable to execute its investment strategy as a result.