

Altai Capital Management, L.P.

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New York, NY 10019

Part 2A of Form ADV Firm Brochure

Updated: March 2015

This brochure (“Brochure”) provides information about the qualifications and business practices of Altai Capital Management, L.P. (“Altai Capital”). If you have any questions about the contents of this Brochure, please contact us at 212-201-5772. 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 Altai Capital is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

This Brochure makes references to products such as private investment funds only for the purpose of describing Altai Capital’s advisory business. This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a confidential offering memorandum and related subscription materials.

Item 2—Material Changes

There have been no material changes since the March 2014 update.

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Item 4—Advisory Business

Altai Capital Management, L.P. (“Altai Capital”) is a Delaware limited partnership formed in July 2009 and became a registered investment adviser with the SEC in September 2009. The General Partner of Altai Capital Management, L.P. is Altai Capital Management, LLC. Rishi Bajaj, Steven V. Tesoriere and Toby E. Symonds are the founding principals of Altai Capital (the “Founding Principals”) and own, directly or indirectly, 100% of Altai Capital. Altai Capital provides discretionary investment advisory services including, but not limited to, managing and directing the investment and reinvestment of assets to private investment funds that are offered to qualified investors on a private placement basis (each a “Fund” and together the “Funds”).

In particular, Altai Capital provides investment advisory services to Altai Capital Master Fund, Ltd. (the “Master Fund”), an offshore fund organized as a Cayman Islands Exempted Company. Altai Capital also provides investment advisory services to three “feeder” funds (the “Feeder Funds”): (i) Altai Capital Partners, LLC, (ii) Altai Capital Partners Offshore, Ltd.; and (iii) Altai Capital Intermediate Fund, L.P., which collectively invest all of their assets into the Master Fund. The four entities are collectively referred to as the “Funds”. Altai Capital may provide investment advisory services to other entities or accounts in the future.

Altai Capital manages the assets of each Fund in accordance with the terms of the governing documents applicable to each Fund. Altai Capital formulates its investment objectives, directs and manages the investment and reinvestment of the Funds’ assets, and provides reports to investors (“Investors”). Investment advice is provided directly to the Funds according to the Funds’ particular investment objectives and not individually to the Funds’ Investors. As of March 1, 2015, Altai Capital had approximately \$393.1 million net assets under management, all of which is managed on a discretionary basis on behalf of the Funds.

Item 5—Fees and Compensation

Compensation received by Altai Capital or an affiliate of Altai Capital is comprised of fees based on a percentage of assets under management and a performance based profit allocation (the “Profit Allocation”). Each Fund’s offering documents require an Investor to be a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940. Therefore, additional information regarding fees and compensation is not disclosed in this Part 2A of Form ADV. Detailed information regarding the fees charged to the Funds is provided in each Fund’s confidential private offering memorandum and other governing documents. Those operative documents should be reviewed carefully prior to making an investment in the Funds. The fees discussed above are negotiable in that Altai Capital or an affiliate of Altai Capital reserves the right to reduce, waive or calculate differently such fees for certain Investors. It should be noted that principals, employees and certain affiliates of Altai Capital currently invested in the Funds are not charged such asset based fees or a Profit Allocation.

Management Fees (Based on Net Assets)

Altai Capital is entitled to receive a management fee in accordance with each Fund’s confidential private offering memorandum which is generally based on assets under management. The management fee is payable in advance, generally as of the first day of each calendar quarter. The Funds pay these fees by debiting the accounts of Investors in each such Fund, as applicable. Investors do not have the ability to choose to be billed directly for the fees incurred. Management fees with respect to contributions made on a day other than the first day of a calendar quarter are pro-rated. Management fees with respect to redemptions made on a day other than the last day of a calendar quarter are rebated. Altai Capital, or an affiliate of Altai Capital, in consultation with the Board of Directors of the Master Fund, as applicable, may in its discretion waive all or a portion of such fees.

Altai Capital may invest a portion of the Funds’ assets in shares of mutual funds or other investment companies, including Exchange Traded Funds (“ETFs”). Assets invested in such investment companies will be included in computing the management fees paid to Altai Capital. The same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those investment companies, paid by the investment companies, but ultimately borne by the Funds.

Performance Based Profit Allocations (Incentive Based)

Altai Capital, or an affiliate of Altai Capital, is entitled to receive a Profit Allocation generally at year-end or upon a redemption/withdrawal, subject to certain conditions as provided for in each Fund’s confidential private offering memorandum.

Liquidity and Fees Paid in Advance

Investors generally may redeem/withdraw from a Fund by providing written notice to Altai Capital. Each Fund’s governing documents specify how soon an Investor’s redemption/withdrawal will take effect after notice is received (*e.g.* 90 days after notice is received). In each case, redemptions/withdrawals will be subject to significant conditions and restrictions (*e.g.* restrictions on the amount that may be redeemed/withdrawn, timing and method of payment of such redemption/withdrawal, redemption/withdrawal fees) which are also set forth in the relevant Fund’s governing documents. Redemption/withdrawal requests are irrevocable.

As described above, management fees are paid in accordance with each Fund’s confidential private offering memorandum, which is generally at the beginning of each quarter or up to three months in advance. Management fees with respect to redemptions made on a day other than the last day of a calendar quarter

are rebated.

Altai Capital, or an affiliate of Altai Capital, in consultation with, or at the sole discretion of, the Board of Directors of such Fund, as applicable, may in its discretion, amend the liquidity rights or notice periods, or waive all or a portion of the management fees, Profit Allocation and redemption/withdrawal fees.

Other Types of Fees or Expenses

In addition to Altai Capital's fees, Investors bear indirectly the fees and expenses charged to the Funds. Those fees vary, and typically include but are not limited to: legal/compliance fees; administration, audit, accounting (including, but not limited to, trading, risk, portfolio management and accounting systems and software) and tax preparation fees; and administrative fees and custodial and transaction costs paid to custodians, broker-dealers and other third parties. Also, the Funds pay for routine insurance costs associated with their operations. As an investor in the Master Fund, each Feeder Fund pays its pro rata share of the expenses of the Master Fund. For additional information on other types of fees or expenses charged to the Funds, please see the Fund's confidential private offering memorandum and other governing documents.

Investors should review all fees charged by Altai Capital, custodians and broker-dealers and other third parties to fully understand the total amount of fees to be paid by the Funds. For information on brokerage costs, please also see "Item 12—Brokerage Practices".

Investments in New Issues

The Funds may from time to time invest in initial public offerings ("New Issues"). The Funds, in compliance with Financial Industry Regulatory Authority ("FINRA") regulations, allocate profit and loss from New Issues only to Investors that may, by law, participate in such allocation.

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

As stated in “Item 5—Fees and Compensation”, Altai Capital, or an affiliate of Altai Capital, is entitled to receive a Profit Allocation which is based on a share of capital appreciation of the Funds’ assets. The fact that Altai Capital, or an affiliate of Altai Capital, is compensated based on trading profits may create an incentive for Altai Capital to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the Profit Allocation received by Altai Capital, or an affiliate of Altai Capital, is based primarily on realized and unrealized gains and losses. As a result, the Profit Allocation earned could be based on unrealized gains that Fund Investors may never realize. The formula for calculating such fees may differ (i) from one Fund to the next; and (ii) among Investors within a given Fund depending on (a) the shares or interests selected by such Investor; and (b) when a given Investor invested in such Fund. This may create a conflict of interest with respect to the allocation of investment opportunities among Funds with the same or substantially similar strategies. Altai Capital is committed to allocating the investment opportunities on a fair and equitable basis and has established order aggregation and allocation policies and procedures to address the potential conflict of interest (See “Item 12—Brokerage Practices”). Further, despite the potential conflict of interest noted above, Altai Capital believes that its interests are aligned with those of its Investors due to the fact that Altai Capital’s Founding Principals have significant investments in the Funds.

Item 7—Types of Clients

Altai Capital provides investment advisory services to the Funds. Investment advice is provided directly to the Funds, subject to Altai Capital's direction and control, and not individually to the Fund Investors.

The Investors in the Funds may include, among others, high net worth individuals, corporations, trusts, charitable institutions, foundations, endowments, "fund of funds" and other U.S. and international institutional investors.

The offering memorandum for each Fund sets forth the required minimum amounts for investment by Investors in such Fund. Altai Capital, or an affiliate of Altai Capital, in consultation with the Board of Directors of such Fund, as applicable, may waive such minimum; however, such waivers with regard to the Feeder Funds organized in the Cayman Islands are limited by Cayman Law to \$100,000.

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

Altai Capital's objective is to generate attractive returns by investing throughout the capital structures of leveraged and distressed companies; in companies in industries undergoing change; in complex, misunderstood situations; and in other opportunistic situations, where the investment's trading price has diverged from Altai Capital's estimate of intrinsic value. Altai Capital will take long and short positions in a range of financial instruments, including credit and credit-related instruments (*e.g.*, distressed debt, high yield securities, bank debt, credit default swaps, and convertible bonds), equities and other instruments tied to the performance of corporate entities. Altai Capital relies on extensive due diligence to formulate a view on each position in the portfolio and typically will seek investment opportunities that have a catalyst for the realization of value. For additional information on investment strategies and associated risks, please see the Fund's confidential private offering memorandum and other governing documents.

The description contained herein is a brief overview of the investment strategy and financial instruments that may be used and is not intended to be complete. The risks discussed relate only to Altai Capital's investment strategy and methods of analysis, and the discussion is not intended to be a complete explanation of the risks involved in an investment in any of the Funds. All investing involves a risk of loss, and the investment strategy offered by Altai Capital could lose money over short or even long periods. Performance could be hurt by a number of different market risks including, but not limited to:

- Investing in securities involves risk of loss that investors should be prepared to bear.
- Securities purchased by the Funds may lack a liquid trading market, which may result in the inability of the Funds to sell any such security or other investment or to close out a transaction involving a foreign currency or to cover the short sale of an option, thereby forcing the Funds to incur potentially unlimited losses. Liquidity is of particular concern with respect to the markets for securities of small-capitalization and growth companies.
- Although the Funds may limit their net investment in any one issuer or group of affiliated issuers, the Funds do not have specific industry concentration limits. Therefore, to the extent that Altai Capital concentrates a Fund's investments in a particular issuer or sector, such Fund's portfolio may experience greater volatility resulting from adverse economic or business conditions affecting that particular issuer or sector than would be the case if the Fund's investments were more diversified.
- Altai Capital enters into transactions known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Losses from short sales are potentially unlimited. In particular, a tender offer or similar transaction with respect to a company whose securities Altai Capital has sold short could cause the value of such securities to rise dramatically, resulting in substantial losses to the Funds. Broker-dealers may also require that Altai Capital to "cover" a short position at an inopportune time.
- The Funds may have investments in issuers involved in (or the target of) acquisition attempts, tender offers, work outs, liquidations, spin offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved will be unsuccessful, will 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 Funds 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 Funds may be required to sell their investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Funds may invest, there is a potential risk of loss by the Funds of their entire investment in such issuers.
- There can be no assurance that Altai Capital will be able to find suitable opportunities

consistent with its investment approach. Market conditions may limit the availability of investment opportunities. Such limitations may cause delays in deploying the Funds' capital and may negatively impact the Funds' returns.

- Certain positions that are taken by the Funds are designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that of attempting to predict relative price fluctuations.
- Altai Capital may utilize leverage by purchasing securities on margin and selling securities short. The more leverage employed, the more likely a substantial change will occur in the value of a Fund's interests. In addition, trading on margin results in interest charges to the Funds.
- Altai Capital may receive information that restricts its ability to cause the Funds to buy or sell securities of a company for substantial periods of time when the Funds otherwise could realize profit or avoid loss. This may adversely affect the Funds' flexibility with respect to buying or selling securities.
- As a means of earning additional income, Altai Capital may lend securities from the Funds' portfolio to broker-dealers and other financial institutions that need to borrow securities to complete certain transactions. The Funds might experience a loss if any institution which has borrowed securities from the Funds breaches its agreement with the Funds. If the borrower becomes insolvent or bankrupt, the Funds could experience delays and costs in recovering loaned securities. To the extent that, in the meantime, the value of the loaned securities declines, the Funds could experience further losses.
- The value of the fixed-income securities in which the Funds may invest change as the general levels of interest rates fluctuate. When interest rates decline, the value of the Funds' fixed-income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities are generally expected to decline. Investments in lower rated or unrated fixed income securities in which the Funds will typically invest, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities).
- The Funds may invest in high yield securities. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain lower-rated and unrated 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 such securities are often highly leveraged and may not have available to them more traditional methods of financing. Major economic recessions could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.
- The Funds may invest in distressed securities. Investment in the securities of financially and/or operationally troubled issuers involves a high degree of credit and market risk. Securities of such issuers are typically more volatile and less liquid than securities of companies not experiencing such difficulties. If a company is in bankruptcy, bondholders' and other creditors' claims are subject to factors such as deterioration of collateral during a stay in bankruptcy, challenges and/or possible invalidation of security interests, and disallowance or subordination of claims, all of which may be difficult to predict. Failure to accurately assess the probability of these events could have a detrimental effect on the Funds' investments in distressed securities.

- The Funds equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which Altai Capital may invest. Relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize. Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.
- The Funds may make use of various derivative instruments, such as options, futures, forwards and interest-rate, credit default and equity swaps. The use of derivative instruments involves a variety of material risks, including the high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses. Certain of the derivatives that may be traded by Altai Capital may be principal-to-principal or “over-the-counter” contracts between the Funds and third parties entered into privately, rather than on an established exchange. The risk of counterparty nonperformance can be significant in the case of these “over-the-counter” instruments, and “bid-ask” spreads may be unusually wide in these substantially unregulated markets. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Funds’ assets, include: (i) credit risks (the exposure to the possibility of loss resulting from a counterparty’s failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset or commodity); (iii) legal risks (the characterization of a transaction or a party’s legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (iv) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks, such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).
- The Funds may trade options which is speculative and involves a high degree of risk. If Altai Capital purchases a put or a call option, it may lose the entire premium paid. If Altai Capital writes or sells a put or call option, its loss is potentially unlimited.
- Altai Capital may invest a portion of the Funds’ assets in securities of foreign issuers or securities denominated in foreign currencies. Investing in foreign securities and/or currencies may present a greater degree of risk than investing in domestic securities due to possible exchange rate fluctuations, possible exchange controls, less publicly available information, more volatile markets, less regulation, less favorable tax provisions (including possible withholding taxes), war or expropriation.

Item 9—Disciplinary Information

Altai Capital has not been involved in any legal or disciplinary events since its inception that would be material to a client's evaluation of the company or its personnel. In addition, Altai Capital's employees have not been involved in any legal or disciplinary events in the past 10 years (and, to the best of Altai Capital's knowledge and belief, in years preceding that 10-year period) that would be material to a client's evaluation of the company or its personnel.

Item 10—Other Financial Industry Activities and Affiliations

Altai Capital and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Various affiliates of Altai Capital serve as either the general partner or managing member (each, a “General Partner”) of certain Funds, including Altai Capital Intermediate GP, LLC as the general partner of Altai Capital Intermediate Fund, L.P., and Altai Capital Group, LLC, as the managing member of Altai Capital Partners, LLC. The Founding Principals of Altai Capital also serve as members of these affiliates, and one of the Founding Principals serves as a member of the Board of Directors of Altai Capital Master Fund, Ltd. and Altai Capital Partners Offshore, Ltd. Altai Capital serves as the investment adviser/manager for all of the Funds.

Any individuals acting on behalf of the General Partners are subject to the supervision and control of Altai Capital in connection with any investment advisory activities. In accordance with SEC guidance, all of the General Partners are deemed registered as investment advisers in reliance on the Form ADV filed by Altai Capital.

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

Altai Capital, the Founding Principals or its affiliates (“Altai Related Parties”) will generally have a material investment in the Funds. Therefore, Altai Capital may be considered to participate, indirectly, in transactions effected for the Funds. In accordance with each Fund’s confidential private offering memorandum and other governing documents, Altai Related Parties are not subject to a management fee or Profit Allocation.

To avoid any potential conflicts of interest involving personal trades, Altai Capital has adopted a Code of Ethics (the “Code”), which includes a formal code of ethics and insider trading policies and procedures. Altai Capital’s Code requires, among other things, that Altai Capital personnel:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients and the interests of Altai Capital above their own personal interests;
- Adhere to the fundamental standard that they should not take inappropriate advantage of their position;
- Avoid or disclose material conflicts of interest;
- Comply with privacy policies designed to protect the confidential nature of Fund Investors’ non-public personal information;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions and engaging in other professional activities;
- Promote the integrity of, and uphold the rules governing, capital markets; and
- Comply with applicable provisions of the federal securities laws.

Altai Capital and its principals, partners, officers, employees, affiliates and other related parties (each an “Altai Related Party”) are strictly prohibited from purchasing any security except: (i) direct obligations of the Government of the United States; (ii) bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; (iv) shares issued by open-end investment companies registered in the U.S., other than funds advised or underwritten by Altai Capital or an affiliate; (v) interests in 529 college savings plans; (vi) broad-based exchange-traded funds; and (vii) shares issued by unit investment trusts that are invested exclusively in one or more open-end registered investment companies, none of which are advised or underwritten by Altai Capital or an affiliate.

Altai Capital’s Code also requires Altai Related Parties to: (i) pre-clear certain personal securities transactions; (ii) report personal securities transactions on at least a quarterly basis; and (iii) provide Altai Capital with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) in which the Altai Related Party has a direct or indirect beneficial interest.

A copy of Altai Capital’s Code is available upon request.

Item 12—Brokerage Practices

Altai Capital has sole discretion on broker-dealers used and commissions paid. It is Altai Capital's intention that the rate of commission paid will not exceed 5 cents per share for U.S. securities and will generally be 15 basis points for most foreign securities. However, commission rates will generally vary from 0.75 cents to 5 cents per share for U.S. securities, and for foreign securities there may be occasions in illiquid markets in which commissions paid may be as high as 40 basis points. When selecting broker-dealers and negotiating commission rates, Altai Capital is guided by the principal objective of seeking to obtain best execution for the Funds including, but not limited to, the financial stability and reputation of the broker-dealer, and the quality of investment research, investment strategies and special execution capabilities.

In making its decisions regarding the allocation of brokerage transactions for the Funds, Altai Capital seeks to obtain the best execution, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer; (iv) the quality, comprehensiveness and frequency of available research services considered to be of value to Altai Capital and its Fund clients; (v) the value of brokerage services over and above trade execution provided to Altai Capital and its Fund clients; and (vi) the competitiveness of commission rates in comparison with other broker-dealers satisfying Altai Capital's other selection criteria. Although Altai Capital generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Where best price and execution may be obtained from more than one broker-dealer, Altai Capital may purchase and sell securities through broker-dealers who provide research, statistical and other information, although not all Funds may in every instance be the direct beneficiaries of the research services provided. Research furnished by broker-dealers may include, but is not limited to, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts and are not conditioned on the placement of securities transactions through the broker-dealer.

The broker-dealers that have entered into prime brokerage arrangements with Altai Capital may occasionally provide Altai Capital with introductions to potential Fund investors. Altai Capital does not compensate these broker-dealers and such introductions will have no bearing on the placement of securities transactions.

Soft Dollar Benefits

The term "soft dollars" refers to a means of paying brokerage firms or other third parties for products and services through commission revenue, based on the volume of brokerage commission revenues generated from securities transactions executed through broker-dealers by an investment manager on behalf of advisory clients. Altai Capital is specifically authorized to direct brokerage to firms which furnish or pay for research and/or brokerage services within the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). Consequently, a conflict of interest exists as Altai Capital benefits from the arrangement because it does not have to produce or pay for the research it receives and has an incentive to select a broker-dealer based on Altai Capital's interest in receiving research or other

products or services, rather than the Funds' interest in receiving the most favorable execution.

Other broker-dealers through which Altai Capital effects transactions may provide Altai Capital with investment research and other products and services that are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to Altai Capital on an unsolicited basis and without regard to the rates of commissions charged or paid by Altai Capital or the volume of business Altai Capital directs to such broker-dealers.

Since these products and services are merely made available by broker-dealers as part of a bundled business package to Altai Capital, which may or may not use them, it is Altai Capital's understanding that such broker-dealers do not set discrete prices for such products and services. Accordingly, Altai Capital does not separately compensate such broker-dealers for the provision of such services and does not believe that it "pays-up" for such broker-dealers' services since the broker-dealers do not break out the costs for such services. Further, Altai Capital does not make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Brokerage for Client Referrals

Altai Capital occasionally effects transactions or otherwise utilizes broker-dealers that have, or whose affiliates have, referred or recommended investors to Altai Capital and broker-dealers or registered representatives of broker-dealers that personally or through related persons or family members have investments in Funds managed by Altai Capital. The existence of these relationships gives rise to conflicts of interest as it creates an incentive for Altai Capital to direct more business to these broker-dealers in order to generate future referrals or additional affiliated investments rather than selecting broker-dealers based on the Funds' interest in receiving most favorable execution. To address these conflicts of interest, Altai Capital only utilizes a broker-dealer if it has determined in advance that the transaction would be in the pertinent Funds' best interest.

Trade and Other Clerical Errors

Trade and other clerical errors resulting in gains will be for the benefit of the Funds and the gains will not be retained by Altai Capital. Altai Capital generally is under no obligation, however, to reimburse the Funds for trade and other clerical errors made by Altai Capital, its agents and affiliates, as such errors are considered by Altai Capital to be a cost of doing business.

While Altai Capital is under no obligation to reimburse the Funds for trade and other clerical errors made by Altai Capital, its agents and affiliates, any correction of a trade or other clerical error will only be made to the extent required so that the Funds do not incur a loss related to such error.

Notwithstanding the foregoing, Altai Capital will be obligated to reimburse the Funds for any trade or other clerical error resulting from Altai Capital's willful misconduct, gross negligence or material breach under the exculpation of liability and indemnification provisions of the investment management agreements maintained with the Funds. Altai Capital, subject to its fiduciary obligations, will determine whether or not any trade or other clerical error is required to be reimbursed in accordance with such liability and exculpation provisions. Altai Capital, in its sole discretion, reserves the right to reimburse the Funds for any trade or other clerical error. Altai Capital's reimbursement of the Funds for any particular error will not constitute a waiver of any policy to cause the Funds to bear the losses from other trade or other clerical errors.

Allocation of Investment Opportunities

Participation in specific investment opportunities may be appropriate, at times, for one or more Funds. If it

is determined by Altai Capital that it would be appropriate for more than one Fund to participate in an investment opportunity, Altai Capital will seek to execute orders for all of the participating Funds on a fair and equitable basis, taking into account such factors as the relative amounts of capital available for new investments and the investment programs and portfolio positions of the participating Funds. Orders may be combined for all such accounts, and if any order is not filled at the same price, securities will be allocated on an average price basis. Similarly, if an order on behalf of more than one Fund cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which Altai Capital considers fair and equitable and in the best interests of all of the participating Funds. Although certain Funds may pursue investment objectives that are similar to one another, the portfolios of such Funds may differ as a result of purchases and redemptions being made at different times and in different amounts, differences in investment programs and guidelines and tax, regulatory and liquidity considerations.

If Altai Capital determines that the purchase or sale of a security is appropriate with regard to multiple Funds, Altai Capital may, but is not obligated to, purchase or sell such a security on behalf of such Funds with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Fund will receive the average price, with transaction costs generally allocated pro rata based on the size of each Fund's participation in the order as determined by Altai Capital. In the event of a partial fill, allocations may be modified on a basis that Altai Capital deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker-dealer or counterparty selected by Altai Capital. As a result, certain trades in the security for one Fund may receive more or less favorable prices or terms than trades for another Fund, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. Notwithstanding the foregoing, the nature and structure of the Funds are different and trades may not be executed on an aggregate basis or allocated on a pro rata basis.

Item 13—Review of Accounts

The Funds' portfolios are reviewed with regard to positions held, risk, exposure and proper settlement on a daily basis by the portfolio managers, the traders, in-house operations and other senior Altai Capital management, where appropriate.

SS&C Technologies, Inc. (the "Administrator") serves as administrator for the Funds. The Administrator sends via electronic mail, fax or other transmission method a monthly unaudited statement of the value of each Investor's individual investment account in the entity in which it is invested. The statement of account is subject to oversight by Altai Capital. All monthly statements show the value of the investment at month-end which includes monthly P&L net of expenses, including management fees, an accrual for the Profit Allocation, if any, and any subscriptions/contributions or redemptions/withdrawals of capital.

Altai Capital sends via email or fax to each Investor in Altai Capital Partners, LLC and Altai Capital Partners Offshore, Ltd. within several business days after month-end, a monthly report that contains performance and various exposures. Annually, the same Investors receive an overview of the Funds' activities, written by the portfolio managers. In addition to the foregoing reports and statements, and upon the request of certain Investors or third parties representing Investors, Altai Capital may also provide, in its sole and absolute discretion, more frequent disclosure or additional information not contained in the above mentioned reports and statements, either due to legal/regulatory constraints that must be followed by some of the Funds' Investors and/or the specific needs of and requests made by certain Investors.

Annual Financial Statements, prepared by Altai Capital and audited by KPMG LLP and KPMG (collectively "KPMG") are forwarded to each Investor within one hundred twenty (120) calendar days of the respective Fund's fiscal year-end. In addition, unless otherwise notified, Schedule K-1s or similar tax information, prepared by KPMG and reviewed by Altai Capital, are forwarded to each Investor that requires them as soon as reasonably practical after the end of each fiscal year.

Item 14—Client Referrals and Other Compensation

Other than the previously described products and services that Altai Capital receives from broker-dealers, Altai Capital does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Altai Capital does not directly or indirectly compensate any person for client referrals.

Item 15—Custody

All Fund assets are held in custody by unaffiliated broker-dealers, banks or custodians; however, a registered investment adviser who, directly or through an affiliate, acts as the general partner or managing member to a limited partnership or other comparable pooled investment vehicle is considered to have custody over client assets. Rule 206(4)-2 under the Investment Advisers Act of 1940 imposes a number of requirements on an SEC registered investment adviser that is deemed to have custody of its clients' funds and securities.

To comply with Rule 206(4)-2 and to provide meaningful protection to Investors, each Fund is subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with United States generally accepted accounting principles, and are distributed to each Investor within one hundred twenty (120) days of the Fund's fiscal year end.

Item 16—Investment Discretion

Altai Capital entered into an investment management agreement with each Fund, pursuant to which Altai Capital was granted discretionary trading authority. Altai Capital's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines as set forth in its confidential private offering memorandum. Altai Capital is responsible for managing the business and investments of the Funds and for certain administrative matters as set forth in the Funds' offering documents.

Item 17—Voting Client Securities

Altai Capital votes the Funds' proxies in a manner that serves the best interests of the Funds, as determined by Altai Capital in its sole discretion. To that end, Altai Capital takes great care to vote proxies in a way that it believes, consistent with its fiduciary duty, will cause the Funds' securities to increase the most or decline the least in value. Consideration is given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. Altai Capital's Chief Compliance Officer (the "CCO"), or an authorized person designated by the CCO, is responsible for identifying the proxies upon which Altai Capital will vote, consulting with the portfolio manager(s) to vote the proxies in the best interest of Fund clients, and submitting the proxies promptly and properly.

Altai Capital will vote its Funds' proxies in the best interest of its Funds and not its own interests. In voting Fund proxies, Altai Capital seeks to avoid material conflicts of interest between the interests of itself on the one hand and the interests of its Funds on the other. Altai Capital currently has identified no conflicts of interest between the interests of the Funds and Altai Capital in the proxy voting process. Nevertheless, if Altai Capital determines that it is facing a material conflict of interest in voting a proxy, its procedures provide for a Proxy Voting Committee (the "Committee") to convene and to determine the appropriate vote. Decisions of the Committee must be unanimous. If a unanimous decision cannot be reached by the Committee, a competent third party will be engaged, at Altai Capital's expense, who will determine the vote that will maximize shareholder value. As an added protection, the third party's decision is binding.

Altai Capital's complete proxy voting policy and procedures have been memorialized in writing and are available for each Fund Investor upon request. In addition, Altai Capital maintains a record of all of the proxy votes cast on behalf of the Funds; such records may be reviewed at Altai Capital's offices.

Securities Class Actions

As a fiduciary, Altai Capital always seeks to act in the Funds' best interests with good faith, loyalty, and due care. Altai Capital's standard advisory contract authorizes it to direct client participation in class actions. The CCO will determine whether the Funds will (i) participate in a recovery achieved through a class action; or (ii) opt out of the class action and separately pursue their own remedy. The CCO oversees the completion of Proof of Claim forms and any associated documentation, the submission of such documents to the claim administrator, and the receipt of any recovered monies. The CCO will maintain documentation associated with Funds' participation in class actions.

Item 18—Financial Information

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