

ITEM 1 COVER PAGE

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This brochure has not been approved by the United States Securities and Exchange Commission (“SEC”) or any state securities authority. Nile Capital Management, LLC, is an investment adviser registered with the SEC. Registration with the SEC does not imply that the adviser possesses a certain level of skill or training.

ITEM 2 MATERIAL CHANGES

Since our Form ADV Part 2A updated on March 31, 2014, we have made the following material changes:

- Sections updated to reflect current client and assets under management
- Fees and compensation updated to refer to appropriate prospectuses for more details

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ITEM 4 ADVISORY BUSINESS

Nile Capital Management, LLC, (“Nile Capital Management”, “NCM” or “Advisor”) is an investment management firm that offers personalized investment advisory services to investment companies registered under the Investment Company Act of 1940 and to private funds. NCM’s clients benefit from the Advisor’s in-depth economic analysis and investment expertise covering the entire African continent, from Cairo to Cape Town. The firm utilizes proprietary macro-economic research and in-depth fundamental analysis to select and manage a focused portfolio of 30-40 stocks drawn from the most attractive emerging and frontier markets within Africa.

Emphasis is placed on growth at attractive valuations in leading companies with established franchises and consistent revenue/profit growth. Our extensive knowledge of South Africa, Egypt and frontier markets is continuously updated through extensive “on-the-ground” contacts and resources. We can provide our clients’ with a stake in the continent’s most attractive economies, best companies and long-term growth potential.

There are several reasons why Africa makes sense for investors to consider. In addition to the fact that Africa provides both emerging and frontier markets exposure, We believe that key factors to be considered include:

1. ***An Industrialization and Globalization Play:*** As the world completes the industrialization process Africa may be the last great investment frontier;
2. ***Value:*** African markets are attractively valued from a P/E perspective relative to developed and developing economies;
3. ***Growth:*** 9 of the 15 fastest growing economies are in Africa with a correspondent burgeoning middle class;
4. ***Uncorrelated Returns:*** African assets have historically generated a low correlation of returns with other global asset classes.

NCM is formed under the laws of the State of Delaware with principal offices located in Princeton, New Jersey. This brochure should be considered by prospective clients prior to becoming an advisory client of the Advisor. Additional information about NCM is available through the SEC website at <http://www.adviserinfo.sec.gov>. Clients may search this site by using Advisor’s name or by an identification number known as the CRD number. NCM’s CRD number is 151912.

SERVICES OFFERED:

Nile Capital Management provides the following investment advisory services:

Mutual Funds:

Advisor provides investment advice and management services to the Nile Africa Mutual Funds, which are registered under the Investment Company Act of 1940. Nile acts as the Investment Advisor for the Nile Pan Africa Fund, the Nile Global Frontier Fund, and the Nile Africa and

Frontier Bond Fund (hereafter, collectively the "Funds"). The Funds are series of the Nile Capital Investment Trust. The Transfer Agent for the Funds is Gemini Fund Services, LLC. Gemini Fund Services, LLC and Nile Capital Management, LLC are not related entities.

The Funds are domiciled in the United States. Advisor is responsible for continuous supervision of the Fund's assets, including investment selection, asset allocation, and all asset management decisions regarding the Funds. Assets of the Funds are deposited in either a brokerage firm or bank custodian account as determined and selected by the shareholders of the Funds.

Advisor will manage each of the Funds in accordance with the investment objectives and policies for that Fund. In general, Advisor looks to invest in growth companies of the future.

The Nile Pan Africa Fund seeks long-term total return from capital appreciation and income. Under normal circumstances, the Fund seeks to achieve its investment objective by investing opportunistically in a focused portfolio of investments in the equity, fixed income, cash and cash equivalent asset classes. The proportion of the Fund's portfolio invested in each asset class will vary from time to time based on the adviser's assessment of fundamental values of securities and other investments in the class, the attractiveness of each investment opportunity, general market, political and economic conditions, and expected future returns of investments. The Fund may invest in any, all or none of the targeted asset classes at any given time. There is no limitation on the amount of the Fund's portfolio that may be allocated to any of these asset classes. The Fund may maintain a significant portion of its assets in cash and cash equivalents securities and investments for temporary defensive purposes. The Fund may invest fixed income securities issued by or guaranteed by African governments, their agencies and instrumentalities, African companies and African multi-national organizations. The Fund defines fixed income securities to include bills, notes, bonds, senior loans, participation notes, pass-through certificates, asset-backed securities, mortgage-backed securities and certificates of deposit. The Fund will invest in fixed income securities without restriction as to capitalization, credit quality or maturity. The Fund may invest in fixed income securities that are sometimes referred to as "high yield" or "junk" bonds.

The Fund defines African companies as those that (i) have a majority of their assets in, (ii) derive a majority of their revenues or profits from Africa ("the continent") or (iii) whose securities are principally traded on African securities exchanges. The Fund will invest in the securities of companies of any capitalization. Under normal market conditions, the Fund invests at least 80% of its assets (defined as net assets plus any borrowing for investment purposes) in African companies, securities issued by or guaranteed by African governments, their agencies and instrumentalities, and African multi-national organizations.

The Nile Global Frontier Fund seeks to provide long term capital appreciation. Under normal circumstances, the Fund seeks to achieve its investment objective by investing opportunistically in a focused portfolio of investments in the equity, fixed income, cash and cash equivalent asset classes. The Fund may also invest in these asset classes through exchange-traded funds ("ETFs") The proportion of the Fund's portfolio invested in each asset class will vary from time to time based on the adviser's assessment of fundamental values of securities and other investments in the class, the attractiveness of each investment opportunity, general market, political and

economic conditions, and expected future returns of investments. The Fund may invest in any, all or none of the targeted asset classes at any given time. There is no limitation on the amount of the Fund's portfolio that may be allocated to any of these asset classes. The Fund is a "non-diversified" fund, meaning that a relatively high percentage of its assets may be invested in a limited number of issuers of securities. The Fund may maintain a significant portion of its assets in cash and cash equivalents securities and investments for temporary defensive purposes.

In general, "Frontier" market countries are a sub-set of those currently considered to be emerging or developing by the World Bank, the International Finance Corporation, the United Nations, or a countries' authorities. These countries typically are located in the Asia-Pacific region, Central and Eastern Europe, the Middle East, Central and South America, and Africa. The Fund may deem other countries to be Frontier markets in the future.

The Fund defines the following countries to be Frontier markets:

Central and Eastern Europe: Azerbaijan, Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Macedonia, Mongolia, Montenegro, Romania, Serbia, Slovakia, Slovenia, Turkey, Turkmenistan, Ukraine

Middle East: Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates

Asia: Bangladesh, Cambodia, Indonesia, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam

Central and South America: Argentina, Chile, Colombia, Ecuador, Jamaica, Panama, Paraguay, Peru, Trinidad & Tobago, Uruguay, Venezuela

Africa: Botswana, Cote d'Ivoire, Ghana, Kenya, Malawi, Mauritius, Morocco, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

Under normal market conditions, the Fund invests at least 80% of its assets (defined as net assets plus any borrowing for investment purposes) in securities of Frontier market issuers directly or through ETFs that invest primarily in securities of Frontier market issuers.

The Fund may invest fixed income securities issued by or guaranteed by Frontier market governments, their agencies and instrumentalities, Frontier market companies and Frontier market multi-national organizations. The Fund defines fixed income securities to include bills, notes, bonds, senior loans, participation notes, pass-through certificates, asset-backed securities, mortgage-backed securities and certificates of deposit. The Fund will invest in fixed income securities without restriction as to capitalization, credit quality or maturity. The Fund may invest in fixed income securities that are sometimes referred to as "high yield" or "junk" bonds. The Fund defines Frontier market companies as those that (i) have a majority of their assets in, (ii) derive a majority of their revenues or profits from Frontier market countries or (iii) whose securities are principally traded on Frontier market securities exchanges. The Fund will invest in the securities of companies of any capitalization.

The Nile Africa and Frontier Bond Fund (not yet launched) seeks to maximize current income and capital appreciation. The Fund's adviser seeks to achieve the Fund's investment objective by investing primarily in bonds issued by or guaranteed by:

- (1) African or Frontier governments, their agencies and instrumentalities;
- (2) African or Frontier companies; and
- (3) African or Frontier multi-national organizations.

The Fund defines African companies as those that (i) have a majority of their assets in, and/or (ii) derive a majority of their revenues or profits from Africa ("the continent").

In general, frontier market countries are a sub-set of those currently considered to be emerging or developing by the World Bank, the International Finance Corporation, the United Nations, or a countries' authorities. These countries typically are located in the Asia-Pacific region, Central and Eastern Europe, the Middle East, Central and South America, and Africa. The Fund may deem other countries to be frontier markets in the future.

The Fund defines the following countries to be frontier markets:

Central and Eastern Europe: Azerbaijan, Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Macedonia, Mongolia, Montenegro, Romania, Serbia, Slovakia, Slovenia, Turkey, Turkmenistan, Ukraine

Middle East: Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates

Asia: Bangladesh, Cambodia, Indonesia, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam

Central and South America: Argentina, Chile, Colombia, Ecuador, Jamaica, Panama, Paraguay, Peru, Trinidad & Tobago, Uruguay, Venezuela

The Fund notes that the following African countries are also considered Frontier countries but are not so re-defined for the sake of simplicity: Botswana, Cote d'Ivoire, Ghana, Kenya, Malawi, Mauritius, Morocco, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

The Fund defines bonds to include bills, notes, bonds, senior loans, participation notes, pass-through certificates, asset-backed securities, mortgaged-backed securities and certificates of deposit. The Fund will invest in bonds without restriction as to capitalization, credit quality or maturity. The Fund may invest in bonds that are sometimes referred to as "high yield" or "junk" bonds. Under normal market conditions, the Fund invests at least 80% of its assets (defined as net assets plus any borrowing for investment purposes) in African and/or Frontier bonds.

The investments by each of the Funds may include equity securities listed on stock exchanges outside of Sub-Saharan Africa. A number of companies have substantial African operations but are listed on internationally well recognized stock exchanges such as the Toronto Stock Exchange, New York Stock Exchange, Australia Stock Exchange and London Stock Exchange and not on Sub-Saharan Africa stock exchanges. Shareholders of the Funds are advised to review the Fund prospectus for a complete description of the investment objectives, policies, and operational structure of the Funds.

The Advisory Agreement between Advisor and the Funds will continue from year-to-year provided that continuance of the Advisory Agreement is approved by the Board of Trustees who supervise the operations of the Funds. The Funds' semi-annual report to shareholders will include a discussion regarding the Trustees' basis for approving the investment advisory contracts for the Funds.

The Advisory Agreement may be terminated without penalty upon 60 days written notice by a vote of a majority of the Trustees or by the Advisor. The Advisory Agreement shall terminate automatically in the event of its assignment.

Purchases of shares of the Funds can be directly from the Funds or through the Funds'

designated intermediaries. Purchase order will be prices at the Net Asset Value (“NAV”) next computed after the orders are received. Investors who purchase shares through a broker or agent may be charged a separate fee by the broker or agent. Redemption requests should be submitted in writing pursuant to the instructions in the Funds’ prospectus. Redemption proceeds normally will be sent within 7 days after the Funds receipt of a shareholder’s redemption request. For redemption requests, the NAV next determined after receipt of the redemption request will be used in processing the redemption request. The Funds may delay the distribution of redemption proceeds involving recently purchased shares until the check for the recently purchased shares has cleared. The Funds may suspend redemptions, if permitted by the Investment Company Act of 1940, for any period during which the NYSE is closed, trading is restricted by the Securities and Exchange Commission, or the SEC declares that an emergency exists. Redemptions may be suspended during other periods permitted by the SEC for the protection of the Funds’ shareholders. During drastic economic and market changes, telephone redemptions may be difficult to implement.

As of the date of this brochure, the Nile Pan Africa fund is available to investors on several platforms including Charles Schwab, Pershing, Fidelity/NFS, Penson, Ameriprise, Scottrade, E*Trade, Vanguard, Morgan Keegan, Questar Financial, Benefit Trust, New York Life, Options Xpress, Shareholder Services Group, Sterne Agee, Trade PMR and Commonwealth Financial. The Distributor for the fund is Northern Lights Distributors (an unaffiliated entity). As of the date of this brochure, the fund had assets under management of approximately \$34 million.

Hedge Funds:

Advisor provides investment advice and management services to Nile Global Frontier Fund LLC, a private fund. As of the date of this brochure, the fund had assets under management of approximately \$2 million. The firm is currently seeking seed investors to capitalize the fund.

The Advisor will manage the fund in accordance with the investment objectives and policies of the fund. Prospective investors or shareholders of the fund are advised to review the fund’s Confidential Offering Memorandum for a complete description of the investment objectives, policies, and operational structure.

Portfolio Manager:

Larry Seruma is the Managing Principal of Nile Capital Management LLC, the Advisor of the Nile Africa Funds. Mr. Seruma has over 20 years of experience in portfolio management, investment research and quantitative investment strategies. In 2004, Mr. Seruma founded Nile Capital Management, where he began his tenure as Portfolio Manager for the Nile Master Fund, a global long/short equity hedge fund. In 2005, the Nile Fund was integrated into Proxima Alfa Investments (USA) LLC (formerly VegaPlus Capital Partners), a subsidiary of Banco Bilbao Vizcaya Argentaria, and Mr. Seruma was named one of the firm's Managing Directors. Currently, Nile Capital Management serves as the Advisor for the Nile Africa Funds, which seek opportunities for investment across the African continent. Prior to founding Nile Capital Management, Mr. Seruma was a Principal at Barclays Global Investors (BGI), a division of Barclays Capital. He was a member of the Active Strategies Group there and also a member of

BGI's Investment Process Committee. Early in his career, Mr. Seruma was an Options Market Maker in the Exchange pits at the Chicago Board of Options Exchange. Mr. Seruma has authored several articles on investments in Africa and other emerging/frontier markets, and has been featured in many leading financial publications. He is also the author of www.moneywatchafrica.com, a financial blog focused on understanding African investment opportunities, and serves on the Board for the Segal Family Foundation, which focuses on improving the quality of life in Sub Saharan Africa. He received an MBA in Analytic Finance and Statistics from the Booth School of Business, The University of Chicago, in 1996.

ITEM 5 FEES AND COMPENSATION

Fee Table:

	<u>Mutual Fund</u>	<u>Hedge Fund</u>
Management Fee	1.5%	2.0%
Performance Fee	None	20%

Management fees are typically billed and payable on a monthly basis (in arrears for investment companies).

Investment Company Management Fees:

Nile Capital Management is paid a management fee equal to an annual 1.50% of the average daily net asset value of the amount of assets under management. There are no performance fees. Advisor believes that its fees are competitive with those fees charged by other investment advisers for comparable services. However, NCM's fees may be higher or lower than the fees charged by other investment advisers. NCM has entered into an Expense Limitation Agreement with the Nile Capital Investment Trust under which Advisor has agreed to waive or reduce its management fee and to assume other expenses of the Funds, if necessary, in an amount that limits "Total Annual Fund Operating Expenses", as indicated in the fee table in the Funds' prospectus. Fee waiver and reimbursement arrangements can decrease the Funds' expenses and boost its performance.

Hedge Fund Fees:

Nile Global Frontier Fund LLC (hedge fund) has a 2% management fee and 20% performance fee as its compensation structure.

Other:

The Mutual Funds and the Hedge Fund each bear certain other expenses as described in the prospectuses of the Mutual Funds and the offering document of the Hedge Fund.

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

Nile Capital Management charges a performance fee for the hedge fund. NCM does not foresee a potential conflict of interest arising from managing both a mutual fund and a hedge fund given the fact that the hedge fund will not be limited in its investment parameters to securities which meet certain liquidity hurdles, as appropriate for a mutual fund.

ITEM 7 TYPES OF CLIENTS

Nile Capital Management, LLC, primarily provides investment advice to the Nile Series of Mutual Funds of the Nile Capital Investment Trust which is registered under the 1940 Investment Company Act. The firm also offers its investment advisory services to Nile Global Frontier Fund LLC, an unregistered investment company.

The minimum account size for the Nile Pan Africa Fund is \$1,000.

The minimum investment for the Nile Global Frontier Fund LLC is \$1,000,000.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

PRINCIPAL INVESTMENT STRATEGIES

In general, Nile Capital Management seeks to invest at least 80% of existing and prospective funds' assets in African and Frontier securities that correspond to its name.

Nile Pan Africa Fund

Nile Capital Management seeks to achieve the Fund's investment objective by investing primarily in common stock of African companies, exchange-traded funds ("ETFs") that invest primarily in African companies equity-related securities (preferred stock and debt securities convertible into common stock) of African companies, and fixed income securities issued by or guaranteed by African governments, their agencies and instrumentalities, African companies and African multi-national organizations.

NCM defines African companies as those that (i) have a majority of their assets in, (ii) derive a majority of their revenues or profits from Africa ("the continent"), or (iii) whose securities are principally traded on African securities exchanges. The Fund will invest in the securities of companies of any capitalization. Under normal market conditions, the Fund invests at least 80% of its assets (defined as net assets plus any borrowing for investment purposes) in African companies, securities issued by or guaranteed by African governments, their agencies and instrumentalities, and African multi-national organizations. The Fund's adviser seeks to identify companies suitable for investment by using top-down economic analysis; and seeks to identify suitable value and growth companies by employing bottom-up fundamental analysis. The top-down approach utilizes macroeconomic analysis that evaluates a country's outlook for economic growth, inflation, interest rates, currency, regulatory framework and political stability. In addition, this analysis evaluates the supply and demand trends for various industries. The bottom-up approach utilizes fundamental valuation analysis that considers factors such as cash flow return on investments, returns on invested capital, health of balance sheets, strong competitive advantages, prospects for earnings growth, strength of management, sound financial management, sound accounting policies, and pricing flexibility. The adviser, as part of its company evaluation, may set up onsite visits and meetings with corporate officers. In some cases, the adviser will meet with a country's Central Bank representatives, at its discretion. The adviser seeks to achieve the Fund's investment objective by buying and holding investments over a long investment period. In general, the adviser will sell a security if it no longer meets the top-down or bottom-up investment criteria.

Top-Down Economic Country Analysis

NCM utilizes a top down economic country analysis that considers, among other things, the country's level of economic growth, consistent gross domestic product growth, foreign

exchanges rates and flows, the inflation rate, the size of the government debt, the country's level of foreign exchange reserves, the country's fiscal policies, rising standards of living and personal consumption. In addition, the country political environment, regulatory framework and regulations are also considered. NCM utilizes its own investment research analysis to rank the countries based on the economic analysis. Countries that meet the Advisor's macro economic characteristics are included in the adviser's investable universe.

Bottom-Up Fundamental Company Analysis

Nile Capital management utilizes a bottom up fundamental analysis on the companies to identify companies with the best growth prospects and relative values. The analysis considers companies with the following characteristics; healthy balance sheets, companies with low levels of debt or gearing, cash flow return on investment, return on investments, pricing flexibility, the supply and demand conditions of the industry and company, the prospects for earnings and revenue growth, strong competitive advantages, the strength of management, sound financial and accounting policies, and managerial and shareholder responsiveness. The Advisor adds securities to the portfolio that meet its buy criteria and sells securities when it believes they are no longer undervalued or meet targets for growth prospects.

PRINCIPAL INVESTMENT RISKS

There is no assurance that a Fund will achieve its investment objective. Each Fund's share price will fluctuate with changes in the market value of its portfolio securities. When you sell your Fund shares, they may be worth less than what you paid for them and, accordingly, you can lose money investing in the Funds. Risks could adversely affect the net asset value, total return and the value of a Fund and your investment. The risk descriptions below provide a summary explanation of the principal investment risks. Prospective investors are strongly encouraged to review and understand the Prospectus, including the risk sections.

The risks apply to each Fund, except as noted.

· *African Market Risk.* Because the Funds will invest the majority of their assets in African companies and governments, directly or through ETFs, it is highly dependant on the state of the African economy and the financial prospects of specific African companies. Certain African markets are in only the earliest stages of development with less liquidity, fewer securities brokers, fewer issuers and more capital market restrictions compared to developed markets. Investment in the securities of African issuers may increase the volatility of a Fund's net asset value. The Funds, as an investor in such issuers, will be indirectly subject to those risks. Investment in securities of African issuers involves risks not typically associated with investments in securities of issuers in developed countries. Such heightened risks include, among others, expropriation and/or nationalization of assets, confiscatory taxation, political instability, including authoritarian and/or military involvement in governmental decision-making, armed conflict, the impact on the economy as a result of civil war, and social instability as a result of religious, ethnic and/or socioeconomic unrest and, in certain countries, genocidal warfare.

Certain countries in Africa may be heavily dependent upon international trade and, consequently,

have been and may continue to be negatively affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These countries also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. Certain countries in Africa depend to a significant extent upon exports of primary commodities such as gold, silver, copper and diamonds. These countries therefore are vulnerable to changes in commodity prices, which may be affected by a variety of factors. In addition, certain issuers located in countries in Africa in which the Fund invests may operate in, or have dealings with, countries subject to sanctions and/or embargoes imposed by the U.S. Government and the United Nations and/or countries identified by the U.S. Government as state sponsors of terrorism. As a result, an issuer may sustain damage to its reputation if it is identified as an issuer which operates in, or has dealings with, such countries.

Because securities markets of countries in Africa are underdeveloped and are less correlated to global economic cycles than those markets located in more developed countries, securities markets in Africa are subject to greater risks associated with market volatility, lower market capitalization, lower trading volume, illiquidity, inflation, greater price fluctuations and uncertainty regarding the existence of trading markets. Moreover, trading on securities markets may be suspended altogether. Market volatility may also be heightened by the actions of a small number of investors. Brokerage firms in certain countries in Africa may be fewer in number and less established than brokerage firms in more developed markets. Since the Funds may need to effect securities transactions through these brokerage firms, the Funds are subject to the risk that these brokerage firms will not be able to fulfill their obligations to the Funds. This risk is magnified to the extent the Funds effect securities transactions through a single brokerage firm or a small number of brokerage firms. Issuers located or operating in countries in Africa are not subject to the same rules and regulations as issuers located or operating in more developed countries. Therefore, there may be less financial and other information publicly available with regard to issuers located or operating in countries in Africa and such issuers are not subject to the uniform accounting, auditing and financial reporting standards applicable to issuers located or operating in more developed countries.

· *Credit Risk.* Issuers of fixed-income securities may default on interest and principal payments owed to the Funds. Generally, securities with lower debt ratings have speculative characteristics and have greater risk the issuer will default on its obligation. Fixed-income securities rated in the fourth classification by Moody's (Baa) and S&P (BBB) may have some speculative characteristics and changes in economic conditions or other circumstances are more likely to lead to a weakened capacity of those issuers to make principal or interest payments, as compared to issuers of more highly rated securities. High yield fixed-income securities (also known as "junk bonds") are considered speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. This means that, compared to issuers of higher rated securities, issuers of medium and lower rated securities are less likely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions and/or may be in default or not current in the payment of interest or principal. The market values of medium- and lower-rated securities tend to be more sensitive to company-specific developments and changes in economic conditions than higher-rated securities. The companies that issue these securities often are highly leveraged, and their

ability to service their debt obligations during an economic downturn or periods of rising interest rates may be impaired. In addition, these companies may not have access to more traditional methods of financing, and may be unable to repay debt at maturity by refinancing. The risk of loss due to default in payment of interest or principal by these issuers is significantly greater than with higher-rated securities because medium- and lower-rated securities generally are unsecured and subordinated to senior debt. Default, or the market's perception that an issuer is likely to default, could reduce the value and liquidity of securities held by the Funds, thereby reducing the value of your investment in the Funds' shares. In addition, default may cause the Fund to incur expenses in seeking recovery of principal or interest on its portfolio holdings.

· *Currency Risk.* Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from a Fund's investments denominated in a foreign currency or may widen existing losses. Exchange rate movements are volatile and it is not possible to effectively hedge the currency risks of many developing countries.

Currency market risk results from the price movement of foreign currency values in response to shifting market supply and demand. Interest rate risk arises whenever a country changes its stated interest rate target associated with its currency. Country risk arises because virtually every country has interfered with international transactions in its currency. Interference has taken the form of regulation of the local exchange market, restrictions on foreign investment by residents or limits on inflows of investment funds from abroad. Restrictions on the exchange market or on international transactions are intended to affect the level or movement of the exchange rate. This risk could include the country re-issuing a new currency, effectively making the "old" currency worthless.

· *Emerging Market Risk.* African emerging market countries may have relatively unstable governments, weaker economies, and less-developed legal systems with fewer security holder rights. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid. The Funds may invest a portion of their assets in countries with newly organized or less developed securities markets. There are typically greater risks involved in investing in emerging markets securities. Generally, economic structures in these countries are less diverse and mature than those in developed countries and their political systems tend to be less stable. Investments in emerging markets countries may be affected by government policies that restrict foreign investment in certain issuers or industries. The potentially smaller size of their securities markets and lower trading volumes can make investments relatively illiquid and potentially more volatile than investments in developed countries, and such securities may be subject to abrupt and severe price declines. Due to this relative lack of liquidity, the Funds may have to accept a lower price or may not be able to sell a portfolio security at all. An inability to sell a portfolio position can adversely affect a Fund's value or prevent a Fund from being able to meet cash obligations or take advantage of other investment opportunities.

· *Equity Market Risk.* Equity markets can be volatile. In other words, the prices of equity securities can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. The Funds' investments may decline in

value if the equity markets perform poorly. There is also a risk that the Fund's investments will underperform either the securities markets generally or particular segments of the securities markets.

· *ETF Risk.* TFs are subject to investment advisory and other expenses, which will be indirectly paid by the Funds. As a result, the cost of investing in the Funds will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in equities. The ETFs in which the Funds invest will not be able to replicate exactly the performance of the indices they track and the market value of ETF shares may differ from their net asset value. ETFs are listed on national stock exchanges and are traded like stocks listed on an exchange. ETF shares may trade at a discount to or a premium above net asset value if there is a limited market in such shares. ETFs are also subject to brokerage and other trading costs, which could result in greater expenses to the Funds. Because the value of ETF shares depends on the demand in the market, the adviser may not be able to liquidate a Fund's holdings at the most optimal time, adversely affecting performance. Additional risks of investing in ETFs are described below:

· *ETF Strategy Risk:* Each ETF is subject to specific risks, depending on the nature of the ETF. These risks could include liquidity risk, sector risk, foreign and emerging market risk, as well as risks associated with investments in commodities.

· *ETF Leverage Risk.* ETFs may employ leverage, which magnifies the changes in the underlying stock index upon which they are based. For example, if an ETF's current benchmark is 200% of the XYZ Index and the ETF meets its objective, the value of the ETF will tend to increase or decrease twice the value of the change in the underlying index. (e.g., if the XYZ Index goes up 10% then the leveraged ETF's value should go up 20%; conversely, if the XYZ Index goes down 10% then the leveraged ETF's value should go down 20%).

· *Net Asset Value and Market Price Risk:* The market value of ETF shares may differ from their net asset value. This difference in price may be due to the fact that the supply and demand in the market for ETF shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when an ETF share trades at a premium or discount to its net asset value.

· *Tracking Risk:* ETFs in which a Fund invests will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which a Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

· *Foreign Investing Risk.* Investments in foreign countries are subject to currency risk and country-specific risks such as political, diplomatic, regional conflicts, terrorism, war, social and economic instability and policies that have the effect of decreasing the value of foreign securities. Foreign countries may be subject to different trading settlement practices, less government supervision, less publicly available information, limited trading markets and greater volatility than U.S. investments. Additionally, investments in securities denominated in foreign

currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by a Fund and denominated in those currencies.

· *Frontier Market Risk.* A sub-set of African emerging market countries are considered to be "frontier markets." Frontier market countries generally have smaller economies and less developed capital markets than traditional emerging markets, and, as a result, the risks of investing in emerging market countries are magnified in frontier market countries. The economies of frontier market countries are less correlated to global economic cycles than those of their more developed counterparts and their markets have low trading volumes and the potential for extreme price volatility and illiquidity. This volatility may be further heightened by the actions of a few major investors. For example, a substantial increase or decrease in cash flows of mutual funds investing in these markets could significantly affect local stock prices and, therefore, the price of a Fund's shares. These factors make investing in frontier market countries significantly riskier than in other countries and any one of them could cause the price of a Fund's shares to decline.

· *Interest Rate Risk.* Fixed income securities have varying levels of sensitivity to changes in interest rates. In general, the price of a fixed income security may fall when interest rates rise. Securities with longer maturities may be more sensitive to interest rate changes. Certain corporate bonds and mortgage-backed securities may be significantly affected by changes in interest rates. Some mortgage-backed securities may have a structure that makes their reaction to interest rates and other factors difficult to predict, making their value highly volatile. Because zero coupon securities do not make interest payments, they are considered more volatile than bonds making periodic payments. When interest rates rise, zero coupon securities fall more sharply than interest paying bonds.

· *Issuer-Specific Risk.* The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than those of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments.

· *Liquidity Risk.* Some securities may have few market-makers and low trading volume, which tend to increase transaction costs and may make it impossible for a Fund to dispose of a security position at all or at a price which represents current or fair market value. Liquidity risk exists when particular investments of a Fund would be difficult to purchase or sell, possibly preventing a Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring a Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations. A Fund with principal investment strategies that involve securities of companies with smaller market capitalizations, non-U.S. securities, Rule 144A securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

· *Lower-Rated Securities Risk.* Fixed income securities rated below investment-grade, sometimes called "high-yield" or "junk" bonds, generally have more credit risk than higher-rated securities.

These securities are considered speculative. Companies and governments issuing high yield fixed-income securities are not as strong financially as those issuing securities with higher credit ratings. These issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the economy, such as a recession or a sustained period of rising interest rates, which could affect their ability to make interest and principal payments. If an issuer stops making interest and/or principal payments, payments on the securities may never resume. These securities may be worthless and a Fund could lose its entire investment. High yield fixed-income securities are considered speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. This means that, compared to issuers of higher rated securities, issuers of lower rated securities are less likely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions and/or may be in default or not current in the payment of interest or principal. The market values of lower-rated securities tend to be more sensitive to company-specific developments and changes in economic conditions than higher-rated securities. The companies that issue these securities often are highly leveraged, and their ability to service their debt obligations during an economic downturn or periods of rising interest rates may be impaired. In addition, these companies may not have access to more traditional methods of financing, and may be unable to repay debt at maturity by refinancing. The risk of loss due to default in payment of interest or principal by these issuers is significantly greater than with higher-rated securities because medium- and lower-rated securities generally are unsecured and subordinated to senior debt. Default, or the market's perception that an issuer is likely to default, could reduce the value and liquidity of securities held by a Fund, thereby reducing the value of your investment in Fund shares. In addition, default may cause a Fund to incur expenses in seeking recovery of principal or interest on its portfolio holdings.

· *Management Risk.* The adviser's judgments about the attractiveness and potential appreciation of a security or futures contract may prove to be inaccurate and may not produce the desired results. Additionally, the adviser's reliance on investment strategy judgments about the "growth" potential of particular companies or the relative "value" of particular securities may prove to be incorrect or inconsistent with the overall market's assessment of these characteristics, which may result in lower than expected returns. The adviser's investment style may subject a Fund to certain risks. A portfolio company's earnings growth may not increase as much as the adviser assumes it will. Even if a portfolio company's earnings grow as the adviser expects, there may not be a corresponding increase in the portfolio company's share value. Also, the adviser's determination of reasonable valuation for a portfolio security may be incorrect. Additionally, the adviser's assessment of the credit quality of an issuer may prove incorrect, subjecting a Fund to high default risk. Consequently, a Fund may pay more for a portfolio security than it is worth.

· *Non-Diversification Risk.* As a non-diversified fund, each Fund may invest more than 5% of its total assets in the securities of one or more issuers. A Fund may also invest in ETFs that are non-diversified. Because a relatively high percentage of the assets of a Fund may be invested in the securities of a limited number of issuers, the value of shares of the Fund may be more sensitive to any single economic, business, political or regulatory occurrence than the value of shares of a diversified investment company. This fluctuation, if significant, may affect the performance of a Fund.

· *Political/Economic Risk.* Changes in an African country's economic and tax policies, high inflation rates, government instability, war or other political or economic actions or factors may have an adverse effect on a Fund's investments. In addition, governments of certain countries in Africa in which a Fund may invest may levy withholding or other taxes on income such as dividends, interest and realized capital gains. Although in certain countries in Africa a portion of these taxes are recoverable, the non-recovered portion of foreign withholding taxes will reduce the income received from investments in such countries. Investment in countries in Africa may be subject to a greater degree of risk associated with governmental approval in connection with the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, there is the risk that if an African country's balance of payments declines, such African country may impose temporary restrictions on foreign capital remittances. Consequently, a Fund could be adversely affected by delays in, or a refusal to grant, required governmental approval for repatriation of capital, as well as by the application to a Fund of any restrictions on investments. Additionally, investments in countries in Africa may require a Fund to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to a Fund. Securities laws in many countries in Africa are relatively new and unsettled and, consequently, there is a risk of rapid and unpredictable change in laws regarding foreign investment, securities regulation, title to securities and shareholder rights. Accordingly, foreign investors may be adversely affected by new or amended laws and regulations. In addition, there may be no single centralized securities exchange on which securities are traded in certain countries in Africa and the systems of corporate governance to which issuers located in countries in Africa are subject may be less advanced than that to which issuers located in more developed countries are subject, and therefore, shareholders of issuers located in such countries may not receive many of the protections available to shareholders of issuers located in more developed countries. In circumstances where adequate laws and shareholder rights exist, it may not be possible to obtain swift and equitable enforcement of the law. In addition, the enforcement of systems of taxation at federal, regional and local levels in countries in Africa may be inconsistent and subject to sudden change.

· *Regulatory Risk.* Certain governments in Africa restrict or control to varying degrees the ability of foreign investors to invest in securities of issuers located or operating in those countries. These restrictions and/or controls may at times limit or prevent foreign investment in securities of issuers located or operating in countries in Africa. Moreover, certain countries in Africa require governmental approval or special licenses prior to investments by foreign investors and may limit the amount of investments by foreign investors in a particular industry and/or issuer and may limit such foreign investment to a certain class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors. A delay in obtaining a government approval or a license would delay investments in a particular country, and, as a result, a Fund may not be able to invest in certain securities while approval is pending. The government of a particular country may also withdraw or decline to renew a license that enables a Fund to invest in such country. These factors make investing in issuers located or operating in countries in Africa significantly riskier than investing in issuers located or operating in more developed countries, and any one of them could cause a decline in the value of a Fund's Shares. Less information may be available about companies in which a Fund invests because many

African companies are not subject to uniform accounting, auditing, and financial reporting standards or to other regulatory practices and requirements required of U.S. companies.

· *Small and Medium Capitalization Company Risk.* The value of a small or medium capitalization company equities, ETFs that invest in equities of small and medium capitalization companies, futures based upon small and medium capitalization equities, or fixed income securities issued by small or medium capitalization company may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general. Companies with small and medium size market capitalization often have narrower markets, fewer products or services to offer and more limited managerial and financial resources than do larger, more established companies. Investing in lesser-known, small and medium capitalization companies involves greater risk of volatility of a Fund's net asset value than is customarily associated with larger, more established companies. Often smaller and medium capitalization companies and the industries in which they are focused are still evolving and, while this may offer better growth potential than larger, more established companies, it also may make them more sensitive to changing market conditions. Small cap companies may be subject to more pronounced versions of the risks described because of their smaller size.

· *Turnover Risk.* A higher portfolio turnover may result in higher transactional and brokerage costs associated with the turnover which may reduce the Fund's return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase the Fund's realized capital gains or losses, which may affect the taxes you pay as a Fund shareholder. The Fund's portfolio turnover rate is expected to be above 100% annually.

Nile Global Frontier Fund

Principal Investment Strategies: Under normal circumstances, the Fund seeks to achieve its investment objective by investing opportunistically in a focused portfolio of investments in the equity, fixed income, cash and cash equivalent asset classes. The Fund may also invest in these asset classes through exchange-traded funds ("ETFs") The proportion of the Fund's portfolio invested in each asset class will vary from time to time based on the adviser's assessment of fundamental values of securities and other investments in the class, the attractiveness of each investment opportunity, general market, political and economic conditions, and expected future returns of investments. The Fund may invest in any, all or none of the targeted asset classes at any given time. There is no limitation on the amount of the Fund's portfolio that may be allocated to any of these asset classes. The Fund is a "non-diversified" fund, meaning that a relatively high percentage of its assets may be invested in a limited number of issuers of securities. The Fund may maintain a significant portion of its assets in cash and cash equivalents securities and investments for temporary defensive purposes.

In general, "Frontier" market countries are a sub-set of those currently considered to be emerging or developing by the World Bank, the International Finance Corporation, the United Nations, or a countries' authorities. These countries typically are located in the Asia-Pacific region, Central and Eastern Europe, the Middle East, Central and South America, and Africa. The Fund may deem other countries to be Frontier markets in the future.

The Fund defines the following countries to be Frontier markets:

Central and Eastern Europe: Azerbaijan, Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia, Lithuania, Macedonia, Mongolia, Montenegro, Romania, Serbia, Slovakia, Slovenia, Turkey, Turkmenistan, Ukraine
Middle East: Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates
Asia: Bangladesh, Cambodia, Indonesia, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam
Central and South America: Argentina, Chile, Colombia, Ecuador, Jamaica, Panama, Paraguay, Peru, Trinidad & Tobago, Uruguay, Venezuela
Africa: Botswana, Cote d'Ivoire, Ghana, Kenya, Malawi, Mauritius, Morocco, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

Under normal market conditions, the Fund invests at least 80% of its assets (defined as net assets plus any borrowing for investment purposes) in securities of Frontier market issuers directly or through ETFs that invest primarily in securities of Frontier market issuers.

The Fund may invest fixed income securities issued by or guaranteed by Frontier market governments, their agencies and instrumentalities, Frontier market companies and Frontier market multi-national organizations. The Fund defines fixed income securities to include bills, notes, bonds, senior loans, participation notes, pass-through certificates, asset-backed securities, mortgage-backed securities and certificates of deposit. The Fund will invest in fixed income securities without restriction as to capitalization, credit quality or maturity. The Fund may invest in fixed income securities that are sometimes referred to as "high yield" or "junk" bonds. The Fund defines Frontier market companies as those that (i) have a majority of their assets in, (ii) derive a majority of their revenues or profits from Frontier market countries or (iii) whose securities are principally traded on Frontier market securities exchanges. The Fund will invest in the securities of companies of any capitalization.

The Fund's adviser seeks to identify companies suitable for investment by using top-down economic analysis; and seeks to identify suitable value and growth companies by employing bottom-up fundamental analysis. The top-down approach utilizes macroeconomic analysis that evaluates a country's outlook for economic growth, inflation, interest rates, currency, regulatory framework and political stability. In addition, this analysis evaluates the supply and demand trends for various industries. The bottom-up approach utilizes fundamental valuation analysis that considers factors such as cash flow return on investments, returns on invested capital, health of balance sheets, strong competitive advantages, prospects for earnings growth, strength of management, sound financial management, sound accounting policies, and pricing flexibility. The adviser, as part of its company evaluation, may set up onsite visits and meetings with corporate officers. In some cases, the adviser will meet with a country's Central Bank representatives, at its discretion. The adviser seeks to achieve the Fund's investment objective by buying and holding investments over a long investment period. In general, the adviser will sell a security if it no longer meets the top-down or bottom-up investment criteria.

Principal Investment Risks: *As with all mutual funds, there is the risk that you could lose money through your investment in the Fund. Many factors affect the Fund's net asset value and performance.*

- **Credit Risk.** Issuers of fixed income securities may suffer from a reduced ability to repay their interest and principal obligations. They may even default on interest and/or principal payments owed to the Fund. An increase in credit risk or a default will cause the value of Fund fixed

income securities to decline. Issuers with lower credit quality are more susceptible to economic or industry downturns and are more likely to default.

- *Currency Risk.* Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Fund's investments denominated in a foreign currency or may widen existing losses. Exchange rate movements are volatile and it is not possible to effectively hedge the currency risks of many developing countries.
- *Equity Market Risk.* Equity markets can be volatile. In other words, the prices of equities can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions.
- *ETF Risk.* ETFs are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in equities. The ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices they track and the market value of ETF shares may differ from their net asset value.
- *Frontier Market Risk.* Frontier market countries generally have smaller economies and even less developed capital markets than traditional developing markets, and, as a result, the risks of investing in developing market countries are magnified in frontier market countries. The magnification of risks are the result of: potential for extreme price volatility and illiquidity in frontier markets; government ownership or control of parts of private sector and of certain companies; trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which frontier market countries trade; and the relatively new and unsettled securities laws in many frontier market countries.
- *Interest Rate Risk.* In general, the price of a fixed income security falls when interest rates rise. Fixed income securities have varying levels of sensitivity to changes in interest rates. Securities with longer maturities may be more sensitive to interest rate changes.
- *Issuer-Specific Risk.* The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- *Limited History of Operations Risk.* The Fund is a new mutual fund and has a limited history of operation.
- *Liquidity Risk.* Some securities may have few market-makers and low trading volume, which tend to increase transaction costs and may make it impossible for the Fund to dispose of a security position at all or at a price which represents current or fair market value.
- *Lower-Rated Securities Risk.* Securities rated below investment-grade, sometimes called "high-yield" or "junk" bonds, generally have more credit risk than higher-rated securities. These securities are considered speculative. Companies issuing high yield fixed-income securities are

not as strong financially as those issuing securities with higher credit ratings and are more likely to encounter financial difficulties. Lower rated issuers are more likely to default and their securities could become worthless.

- *Management Risk.* The adviser's judgments about the attractiveness and potential appreciation of an investment may prove to be inaccurate and may not produce the desired results. Additionally, the adviser's reliance on investment strategy judgments about the "growth" potential of particular companies or the relative "value" of particular securities may prove to be incorrect or inconsistent with the overall market's assessment of these characteristics, which may result in lower than expected returns.
- *Non-Diversification Risk.* As a non-diversified fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. The Fund may also invest in ETFs that are non-diversified. Because a relatively high percentage of the assets of the Fund may be invested in the securities of a limited number of issuers, the value of shares of the Fund may be more sensitive to any single economic, business, political or regulatory occurrence than the value of shares of a diversified investment company. This fluctuation, if significant, may affect the performance of the Fund.
- *Small and Medium Capitalization Company Risk.* The value of a small or medium capitalization company equities, ETFs that invest in equities of small and medium capitalization companies may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general.

Nile Global Frontier Fund LLC

The Company's overall investment objective is to seek superior total returns over a three- to five-year time horizon by investing in Financial Instruments (as defined below) primarily issued by or linked to Frontier Issuers and in a variety of markets in Frontier Countries. "**Frontier Issuers**" means any issuer: (a) for whom alone, or on a consolidated basis, the majority of such issuer's (i) sales, (ii) assets, (iii) operating earnings or (iv) net earnings are generated from goods produced, services performed or sales made in Frontier Countries; or (b) which the Investment Manager expects the majority of such issuer's future growth in any of the parameters set forth in clauses (a)(i)-(iv) above to be derived from Frontier Countries. For the avoidance of doubt, as long as an issuer satisfies one of these criteria, its securities or other instruments may be traded on any market or listed on any exchange worldwide. "**Frontier Countries**" include the countries highlighted in Appendix I hereto.

The Company aims to target Frontier Issuers that the Investment Manager believes have the potential for growth in earnings over the long-term. In order to achieve its aim the Investment Manager will generally combine research from its own capabilities as well as research from investment banks, industry conferences and other vendors with visits to countries and companies in which the Company plans to invest. During its country and company visits, the Investment

Manager will speak with managers, vendors, suppliers, regulators, governmental representatives and investment analysts.

The instruments in which the Company may invest include, without limitation, (i) listed and unlisted equity or equity-linked or related securities and other instruments, including without limitation, exchange-traded and over-the-counter common and preferred stocks, warrants, rights, convertible securities, depository receipts and shares, trust certificates, limited partnership interests, shares of investment companies (including exchange-traded funds), equity participations and other derivatives or structured instruments with similar features, participation notes, forward contracts, currencies, options, futures and new issues; (ii) fixed income and other debt-related instruments, including, without limitation, public debt instruments (i.e., sovereign debt) or private-sector debt instruments, such as bonds, notes, debentures, asset-backed instruments, loan participations and bank debt, and other debt related securities and instruments; (iii) other investment funds (including mutual funds), pooled accounts or collective investment vehicles (“**Other Investment Vehicles**”), including, but not limited to, those managed or administered by the Investment Manager or any of its affiliates or by any company or firm managed or controlled by any member, partner, officer or employee of the Investment Manager or any of its affiliates (“**Affiliated Funds**”), which provide the Company with access to certain Frontier Issuers and/or markets of Frontier Countries; and (iv) cash and cash equivalents and other financial instruments (collectively, “**Financial Instruments**”). The Company may engage in hedging transactions in order to hedge against financial risks, including currency hedges, and may take short positions in Financial Instruments of Frontier Issuers. The Company will not be obligated, however, to hedge any risk and makes no representation as to the availability of these techniques at this time or at any time in the future.

Under normal market conditions, the Investment Manager expects that generally 80% or more of the Company’s assets will be directly or indirectly invested in Financial Instruments issued by or linked to Frontier Issuers and in a variety of markets in Frontier Countries. The Investment Manager may, at its discretion, invest on an opportunistic basis generally up to 20% of the Company’s assets at the time of investment in Financial Instruments other than those issued by or linked to Frontier Issuers. For cash management purposes and to enable the Company to make investments quickly and to serve as collateral with respect to certain portfolio investments, a portion of the Company’s portfolio assets may be held in cash and/or invested in cash equivalents and short-debt term instruments, including without limitation United States Government obligations, certificates of deposit, commercial paper, money market funds and other money market instruments, including repurchase agreements with respect to such obligations. In addition, if the Investment Manager believes that a defensive position is appropriate because of expected economic or business conditions or the outlook for security prices, or if the Investment Manager determines that opportunities for investing are unattractive, a greater percentage of the Company’s assets may be invested in such obligations. In these circumstances the Investment Manager may depart from the Company’s investment objectives and strategies.

The Company intends to combine fundamental methodologies, detailed due diligence and, when applicable, a macro view of the Frontier Country regions when evaluating investments.

The Company’s investment approach is based on fundamental analysis, or the analysis of

earnings for individual companies of all market capitalizations. The Company intends to target companies that the Investment Manager believes have the potential of achieving growth in earnings over the longer term. In order to achieve its aim the Investment Manager will carry out a constant cycle of country and company visits to continuously update its earnings and valuation models.

In seeking to determine appropriate exposure levels, the Investment Manager engages in top-down macro approach that analyzes, among other things, country specific risks with regard to political and economic risk, regulatory risk, liquidity risk, currency risk, inflation risk and cash flows. The Investment Manager analyzes the foregoing factors together with long-term investment opportunities, long-term growth trends or catalysts for each Frontier Country. The Investment Manager combines this top-down approach with a bottom-up approach where fundamental analysis is employed to identify attractive investment opportunities.

Capital markets in Frontier Countries generally are smaller and more illiquid as compared to more developed markets. As a result, they typically are poorly researched. In addition, available information relating to listed companies is scarce and the level of disclosure varies by company within a market and by market. The Investment Manager believes that incomplete information in the market may lead to inefficiencies or undervalued securities, which in turn can lead to attractive investment opportunities.

An investment in the Company is speculative and involves a high degree of risk, including the risk of loss of the entire amount invested. The past performance of the Investment Manager is no guarantee of future results and there is no assurance that the Company will be able to achieve its investment objectives or be profitable. Results may vary substantially over time. See “Certain Risk Factors” for further risks of an investment in the Company.

The overall success of the Company will depend on the ability of the Investment Manager to pursue the Company’s investment strategy. The past performance of such strategies is not necessarily indicative of their future profitability. No assurance can be given that the strategies utilized by the Investment Manager will be successful under all or any particular market conditions.

THERE CAN BE NO GUARANTEE OF FUTURE PERFORMANCE, AND THERE IS NO ASSURANCE THAT THE COMPANY WILL BE ABLE TO ACHIEVE ITS INVESTMENT OBJECTIVES OR BE PROFITABLE.

CERTAIN RISK FACTORS

The Investment Manager will invest in different types of Financial Instruments, some of which may not be marketable. Such investments are subject to investment-specific price fluctuations as well as macroeconomic, market and industry-specific conditions. Those risks may be significantly enhanced by the concentration of the Company's investments in Financial Instruments issued by or linked to Frontier Issuers and in a variety of markets in Frontier Countries, its consequently limited geographic diversification and the potential that creates for volatility. Moreover, the Company may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. No assurance can be given as to when or whether adverse events might occur which could cause significant and immediate loss in value of the Company's investments. In addition to these general investment risks, the Investment Manager may use investment techniques that could subject the assets of the Company to certain risks; some, but not all, of these techniques and risks are summarized below.

Trading Decisions Based on Fundamental Analysis. The Company will base its trading decisions on fundamental analysis. Fundamental analysis is premised on the assumption that markets are not perfectly efficient, that informational advantages and mispricings do occur and that econometric analysis can identify trading opportunities. Fundamental factors include inflation, trade balances, inventories and interest rates, all factors extrinsic to the market. To the extent that external factors provide mixed or conflicting signals, a fundamental trading system may not be able to detect and take advantage of profitable price moves. Fundamental analysis may incur substantial losses if such economic factors are not correctly analyzed, not all relevant factors are identified and/or market forces cause mispricings to continue despite the traders having correctly identified such mispricings. Fundamental analysis may also be more subject to human error and emotional factors than technical analysis.

Economies in the Early Stages of Development. Many Frontier Country economies are in the early stages of development. This can lead to a high concentration of market capitalization and trading volume in industries by a limited number of issuers. These markets also can contain a concentration of investors and financial intermediaries. Investing in the Financial Instruments of companies and governments in Frontier Countries involves certain considerations not usually associated with investing in Financial Instruments of United States companies or the United States government, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the Financial Instruments markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in extreme price volatility; significant fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict the Investment Manager's investment opportunities; and, in most cases, less effective government regulation than is the case with Financial Instruments markets in the United States. In addition, accounting and financial reporting standards in such countries are not equivalent to standards in more developed countries, and, consequently, less information is available to investors.

Broker Limitations. Typically, there are fewer brokers in Frontier Countries and such brokers are generally not as well capitalized as those in more developed nations. This may prevent trade

orders from being processed in a timely manner.

Government Intervention in Private Sector. In many Frontier Countries, governments possess significant influence over the private sector and may own or control some of the largest companies in such countries. Therefore, government actions in the Frontier Countries may affect future economic conditions in the area and may affect the value of the Company's securities.

Uncertainty of the Legal System. Certain legal concepts, including but not limited to limited liability, rights of investors and enforceability of judgments, are not clearly defined in many Frontier Countries' legal systems. Therefore, the Company may be liable for an amount greater than the actual investment made by the Company in an investment entity. In other instances it may be difficult or impossible to obtain a judgment in favor of the Company.

Restrictions on Investments. Some Frontier Countries impose significant restrictions on investments by foreign entities, such as the Company, in their capital markets. Certain nations may require government approval before a foreign person can invest in their country or may impose limitations on the amount a foreign person may invest in a domestic issuer. These limitations are known as Indigenous Rules. Frontier Countries may also limit investments of foreign persons to specific classes of securities by an issuer, which may contain less favorable terms than a domestic investor. This may limit investment opportunities or force a sale or premature liquidation of an asset at a lower than expected value or return.

Re-Registration Risks. Some Frontier Countries may require the Company to invest through a local entity and subsequently have the securities of a Frontier Issuer re-registered in the Company's name. This delay may prevent the Company from obtaining certain rights as an investor, such as dividends or notices of corporate action. At times when the securities are being re-registered, the Company may be prevented from holding an ownership interest in a company if the quota of securities allowed to be held by foreign persons is filled.

Repatriation Risks. Some Frontier Countries may limit the Company's ability to repatriate income out of the country. These nations may require government approval before proceeds may be repatriated and such consent may be delayed or refused for any reason. In some instances, Frontier Countries may have insufficient foreign exchange available to convert local currency amounts into a generally convertible currency. This may cause a delay in the valuation of the Company's portfolio. In addition, the insufficient foreign exchange could also result in the actual amount realized in a transaction after conversion to U.S. dollars being materially lower than the amount that would have been realized had sufficient foreign exchange been available.

Advanced Exchange Control Approval. Some Frontier Countries require that foreign entities with investments in domestic issuers receive advanced approval prior to the trading of such securities on a domestic exchange. This may impact the investment strategy of the Company.

Equity Securities. The Company will trade in equity securities. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environment. The Company may acquire long and short positions in listed and unlisted common equities, preferred equities and convertible securities of issuers domiciled in developed or in emerging countries. The Company may invest in equity securities regardless

of market capitalization, including micro- and small-cap companies. The securities of smaller companies may involve more risk and their prices may be subject to more volatility.

Foreign Securities. Foreign securities historically have been highly volatile and may involve greater risks than comparable U.S. investments, because of, among other things, instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in foreign securities. Higher expenses also may result from investment in foreign securities than would be the case with domestic securities because of the costs that are incurred in connection with conversions between various currencies and because foreign brokerage commissions may be higher than the United States. Foreign securities markets also may be less liquid, more volatile and less subject to governmental supervision than those in the United States. Investments in foreign countries could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Investment in Fixed-Income Instruments. The value of fixed-income securities in which the Investment Manager invests will change in response to fluctuations in interest rates. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline.

Private Placements and Unregistered Securities. The Investment Manager may invest in equity, convertible securities, and fixed income obligations the disposition of which may be restricted under the Securities Act of 1933, as amended (the “**1933 Act**”) or other applicable securities laws. Whether so restricted, the market to resell such securities may be illiquid. Therefore, such investments may be required to be held for a lengthy period of time or, if the Investment Manager were forced to liquidate their positions in such securities, such liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such investment.

New Issues. The Company may purchase so-called “new issue” securities. The risk of loss associated with securities purchased in initial public offerings is greater than those in connection with general securities trading. While the Investment Manager believes that “new issues” offer significant potential for gain, the prices of newly issued securities may not increase as expected, and in fact may decline to a significant extent. The Investment Manager will have access to new issue markets only if it is able to generate relationships with broker-dealers. Also, if the Investment Manager is not correct in its assessment of which new issues will appreciate, the Company will suffer losses. If the Investment Manager is unable to liquidate such positions in a timely manner, the Company will be exposed to further losses which could be considerable.

Competition. The investment industry is extremely competitive. In pursuing the Company’s investment and trading methods and strategies, the Investment Manager will compete with many

large investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks and broker-dealers. In relative terms, the Investment Manager may have less capital and may have difficulty in competing in markets in which its competitors have substantially greater financial resources, larger research staffs and more investment professionals than the Investment Manager has or expects to have in the future.

Cash Investments. The Company may hold cash or invest in cash equivalents for short-term investments. While the Company holds cash or has investments in cash equivalents, the overall appreciation of the assets in the Company may be less than if all the assets of the Company were invested fully in accordance with the investment strategy of the Company.

Financial Instruments Believed to Be Undervalued or Incorrectly Valued. Financial Instruments that the Investment Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Investment Manager anticipates. As a result, the Company may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Investment Manager's investment in any instrument and some obligations and preferred stock in which the Investment Manager invests may be less than investment grade.

Derivatives Generally. Derivative instruments, or "derivatives," include options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives typically allow an investor to hedge or speculate on the price movements of a particular security, financial benchmark currency, index or commodity at a fraction of the cost of investing in the underlying asset. There is no assurance that derivatives that the Company wishes to acquire will be available at any particular time, on satisfactory terms or at all.

The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only result in the loss of the entire investment, but may also expose the Company to the possibility of a loss exceeding the original amount invested.

In addition, derivative contracts may expose the Company to the credit risk of the parties with which the Company deals. Non-performance of such contracts by counterparties, for financial or other reasons, could expose the Company to losses, whether or not the transaction itself was profitable. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

Highly Volatile Markets. The Financial Instruments in which the Company may invest are traditionally volatile. Price movements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by

regulation, in certain markets, particularly those in options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since there is generally less government supervision and regulation of foreign stock exchanges and clearinghouses than in the United States, the Investment Manager also is subject to the risk of the failure of the exchanges on which its positions trade or of its clearinghouses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

Hedging Techniques. The Investment Manager may employ various hedging techniques to attempt to reduce risk. If the Investment Manager's trading methodology analyzes market conditions incorrectly, its hedging techniques could result in a loss, regardless of whether the intent was to reduce risk. These hedging techniques may also increase the volatility of certain Financial Instruments, and therefore the Company. In addition, such techniques may involve a small investment of cash relative to the magnitude of the risk assumed or result in a loss if the other party to the transaction does not perform as promised. Further, a specific hedge may not be available with respect to a particular Financial Instrument and, even if available, may not sufficiently match the position which is sought to be hedged.

Hedging Transactions. The Company may utilize the assets in which it invests both for investment purposes and to seek to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but established other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain of the value if the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against an interest rate fluctuation that is so generally anticipated that the Company is not able to enter into a hedging transaction at the price sufficient to protect itself from the decline in value of the portfolio position anticipated as a result of such a fluctuation. Further, if the particular hedging strategy does not correlate with a particular investment, the hedging techniques of the Company could result in a loss, regardless of whether the interest was to reduce risk or increase return.

Convertible Securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do

not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to withdrawal at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held for the Company is called for withdrawal, the Company will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Company’s ability to achieve its investment objective.

Non-Dollar Denominated Instruments. A significant portion of the Company’s assets are expected to be invested in Financial Instruments denominated in various currencies and in other Financial Instruments, the price of which is determined with reference to such currencies. The Company will, however, value its investment fund in U.S. dollars. The value of the Company will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. The Investment Manager, at its discretion, may or may not hedge the Company’s currency risk. To the extent the Investment Manager does not hedge such risk, or such hedge is not effective, the Company will be subject to the risk that due to fluctuations in the exchange rate, the value of positions may decrease even where such positions were not subject to loss. In addition, the currency of certain Frontier Countries is extremely volatile and in certain Frontier Countries inflation has, or has the potential, to significantly reduce the value of such nation’s currency.

Illiquidity of Investments. The Company may invest in unregistered Financial Instruments of distressed companies. There may be no market for such Financial Instruments or for a substantial percentage of such Financial Instruments. To the extent there is a market for such Financial Instruments, the market may be limited to a narrow range of potential counterparties, such as institutions and investment banks. As a consequence, the Company’s ability to participate in or liquidate such investments may be restricted and the value of such investments may be subject to wide fluctuation. Additionally, the Investment Manager may designate certain assets held by the Company that are long-term, illiquid, and/or without a readily ascertainable market value as Designated Investments. Withdrawals of Interests representing a Member’s interest in a Designated Investment will not be permitted until a Disposition of such Designated Investment.

Counterparty Credit Risk. Some of the markets in which the Investment Manager may effect its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. To the extent the Investment Manager invests in derivative or synthetic instruments, or other over-the-counter transactions, on these markets, the Investment Manager may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, 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. This exposes the Company to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions which may be accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Investment Manager has concentrated its transactions with a single or small group of counterparties. The Investment Manager is not restricted, subject to oversight by the Investment Manager, from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

Currency Interest Trading is Speculative and Highly Leveraged. A principal risk in trading currency interests is the traditional volatility (rapid fluctuation) in the market prices of currencies. Because of the low margin deposits typically required in currency interest trading, a relatively small movement in the market price of a currency interest may result in a disproportionately large profit or loss.

Sovereign Debt Risk. Investments in sovereign debt securities involve special risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor’s policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, the Company may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Company’s ability to obtain recourse may be limited.

History of Political Instability. Many Frontier Countries have a history of political and economic instability. Such instability may have a negative effect on favorable trends occurring in the region. In addition, the institution of certain policies such as market nationalization or expropriation of assets or the taking of certain actions, such as arbitrary revocation of licenses and consents by any Frontier Country government could result in a disruption of the securities market.

Reliance on Energy/Resources. Many Frontier Countries’ economies are reliant on revenue from oil sales. Fluctuations in oil prices can have a drastic impact on their economies. Other commodities, such as base and precious metals, are also a significant part of such nations’ economies. A change in the supply or demand of such commodities can have a drastic impact on

a Frontier Country's economy.

Public Information. Publicly available information is often limited and outdated, which may limit the findings of due diligence investigations. This lack of updated information increases the risks associated with an investment, including investigations relating to money laundering and illegal or corrupt activities.

Short Sales. The Investment Manager may take short positions in Financial Instruments as part of its hedging strategy in a given investment or in those instances when the Investment Manager is of the belief that a given security is over-priced. Short sales are transactions in which the Investment Manager sells a security which the Company does not own (by borrowing such security), in anticipation of a decline in the market value of the security. Although the gain is limited by the price at which it sold the security short, losses from short sales may be unlimited if the price of the security sold short continues to appreciate. Additionally, even though the Investment Manager secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Investment Manager to purchase the security at the then prevailing market price which may be higher than the price at which such security was originally sold short by the Investment Manager. A short sale of a debt instrument such as a bond involves the theoretical risk of an increase in the market price plus accrued interest. Recent market turmoil, combined with the perception that short selling is one of the potential causes of market fragility, has led to regulations restricting the use of short sales. The U.S. and certain other jurisdictions recently have promulgated such regulations. As a result, the Investment Manager may be prohibited from using short sales to hedge certain positions. The Investment Manager may employ investment strategies which cannot be properly effected without the use of short sales. In the event of such a prohibition, the performance of the Investment Manager is expected to suffer. In addition, these regulations may lead to crowded shorts and increased borrowing costs. The specific regulations in effect at any given time vary with regulators' perceptions of market risk and it is not possible to gauge what, if any, regulations will be in effect in the future.

Risks Associated with Futures and Forward Trading. Futures and forward contracts have a high degree of price variability and are subject to periodic rapid and substantial changes. The markets in which the Company will trade are speculative, highly leveraged and involve a high degree of risk. Volatility increases risk, particularly when trading with leverage. Trading on a leveraged basis even in stable markets involves risk; doing so in volatile markets necessarily involves a substantial risk of sudden, significant losses. Market volatility and leverage mean that the Company could incur substantial losses, potentially impairing its equity base and ability to achieve its long-term profit objectives even if favorable market conditions subsequently develop. Futures and forward positions cannot always be liquidated at the desired price. It is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. A market disruption, such as when governments may take or be subject to political actions which disrupt the markets in their currency or major exports, can also affect the liquidity of the futures markets thereby making it difficult to liquidate a position.

Forward Trading. The Company may invest in forward contracts and options thereon. Such contracts, unlike futures contracts and options on futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating

each transaction on an individual basis. Forward and “cash” trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell.

Options Trading. The Company’s trading will include the trading of options contracts. An option on a Financial Instrument gives the purchaser of the option the right but not the obligation to take a position at a specified price (the “striking,” “strike” or “exercise” price) in a Financial Instrument. A “call” option gives the purchaser the right to buy the underlying Financial Instrument, and the purchaser of a “put” option acquires the right to take a sell position in the underlying Financial Instrument. The purchase price of an option is referred to as its “premium.” The seller (or “writer”) of an option is obligated to take a position at a specified price opposite to the option buyer if the option is exercised. Thus, in the case of a call option, the seller must be prepared to sell the underlying Financial Instrument at the strike price if the buyer should exercise the option. A seller of a put option, on the other hand, stands ready to buy the underlying Financial Instrument at the strike price. Both the purchasing and selling of call and put options entail risks. Although an option buyer’s risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying Financial Instruments. In theory, an uncovered call writer’s loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying Financial Instrument may fall below the exercise price.

THE FOREGOING LISTS OF RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS SHOULD OBTAIN PROFESSIONAL GUIDANCE FROM THEIR TAX AND LEGAL ADVISORS IN EVALUATING ALL OF THE TAX IMPLICATIONS AND RISKS INVOLVED IN INVESTING IN THE COMPANY.

ITEM 9 DISCIPLINARY INFORMATION

There are no material legal or disciplinary events.

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

Nile Capital Management is affiliated with the following entities:

Nile Capital Investment Trust – A 1940 Act, registered investment company that hosts the Nile Pan Africa Fund, the Nile Global Frontier Fund, and the Nile Africa and Frontier Bond Fund. Nile Capital Management is the investment manager for these mutual funds.

Nile Global Frontier Fund LLC, a private investment fund. Nile Capital Management is the investment manager for this fund.

NCM is not aware of any material conflicts of interests between the affiliated entities.

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

Nile Capital Management acknowledges that investment advisers are required to establish, maintain and enforce a Code of Ethics. The Advisor has established a Code of Ethics that applies to all of its associated persons. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. NCM has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for NCM's Code of Ethics. The Advisor requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with NCM's Code of Ethics. The Advisor has the responsibility to make sure that the interests of all clients are placed ahead of Advisor's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. NCM and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of NCM's Code of Ethics. However, if a client or a potential client wishes to review Advisor's Code of Ethics in its entirety, a copy will be provided promptly upon request.

ITEM 12 BROKERAGE PRACTICES

Upon receiving written authorization from the client, Advisor may provide discretionary investment advisory services for client portfolios. When discretionary authority is granted, Advisor will have the authority to determine the type and amount of securities that can be bought or sold for the client portfolio, to select the broker or dealer to be used for the purchase and sale of securities in client's portfolio, and to determine commission rates paid without obtaining the client's consent for each transaction.

The broker-dealers or other entity serving as custodian or executing securities trades for Advisor's clients are selected based upon best execution practices for a particular trade or service. Nile Capital Management does engage in soft dollar relationships with broker-dealers and a copy of its soft-dollar policy is available upon request. The Advisor does not use client brokerage to reward brokers for client referrals. As a fiduciary, Nile Capital Management endeavors to act in its clients' best interests.

Internal Cross Trades

An internal cross trade is a commission-free transaction in which NCM satisfies a buy order for one client account from a sell order for another client account. NCM may cause a client account to participate in an internal cross trade with another client account when, for example, one account is trimming security positions to raise cash while another account is buying the same securities. An internal cross trade may benefit clients on both sides of the trade by eliminating the need to find another buyer or seller, eliminating attendant market impact, eliminating the need to use a broker to execute the trade, and eliminating the payment of brokerage commissions (other than limited clearing fees that may apply). In general, securities transferred in internal cross trades are priced using independently determined market pricing information.

Internal cross trades must comply with restrictions designed to ensure that trades are fair and in the best interests of the clients involved in the trade. Under these restrictions, only eligible accounts may participate, NCM receives no fee (other than its standard advisory fee), NCM seeks best execution for the clients involved, and NCM seeks to ensure that no participating client is harmed by the cross trade. If an investment company client participates, similar provisions apply, including the requirements that a cross trade generally must be effected at an independently determined current market price, clients may not pay brokerage commissions or transaction fees other than transfer fees, and other requirements. Some clients, such as certain ERISA plans and accounts in which an affiliated person of NCM owns a significant interest, cannot ordinarily participate in internal cross trades.

Because of legal or practical or account-specific restrictions on internal cross trades for certain types of accounts, these trades may be difficult to arrange in many circumstances, and NCM has no obligation to effect any internal cross trade for any client under any circumstances.

ITEM 13 REVIEW OF ACCOUNTS

Investment Company Management Reviews:

The portfolios for the Nile Series of Mutual Funds under the Nile Capital Investment Trust are each typically reviewed on a daily basis. While the calendar is the main triggering factor for reviews, other factors include the deviation from management style of any Fund's objectives.

Other Reviews:

The client accounts and portfolios for Nile Global Frontier Fund LLC are reviewed at least weekly. Designated members of the portfolio management team also review portfolio transactions daily.

ITEM 14 CLIENT REFERRALS AND OTHER **COMPENSATION**

In accordance and within SEC regulatory compliance, Nile Capital Management may retain the services of Third Party Marketers for client referrals. Any compensation paid for such referrals is the responsibility of the Advisor and not the respective client, mutual or hedge fund. To date, the Advisor has made cash payments to Third Party Marketers on a monthly basis to assist in marketing the Advisor's services.

Nile Capital Management has not received any economic benefit from a non-client for providing advisory services to a client. Therefore, there are no conflict of interest concerns.

ITEM 15 CUSTODY

Nile Capital Management utilizes Fifth Third Bank as the qualified custodian for the Nile Series of mutual funds under the Nile Capital Investment Trust. Fifth Third Bank is also the current custodian for Nile Global Frontier Fund LLC.

ITEM 16 INVESTMENT DISCRETION

Nile Capital Management has accepted investment discretion to manage securities on behalf of the Nile Series of mutual funds under the Nile Capital Investment Trust and for Nile Global Frontier Fund LLC. When discretionary authority is granted, Advisor will have the authority to determine the type and amount of securities that can be bought or sold for the client portfolio, to select the broker or dealer to be used for the purchase and sale of securities in client's portfolio, and to determine commission rates paid without obtaining the client's consent for each transaction.

ITEM 17 VOTING CLIENT SECURITIES

Advisor shall vote proxies on behalf of its clients when requested based upon the best interest of the client. Nile Capital Management's proxy voting policies and procedures are reviewed by the Board of Trustees of the Nile Capital Investment Trust. Other clients may obtain a copy of Niles proxy voting policies by making a request in writing.

ITEM 18 FINANCIAL INFORMATION

The Advisor foresees no financial condition that is reasonably likely to impair Nile Capital Management's ability to meet contractual commitments to its clients. The Board of Trustees of Nile Capital Investment Trust review the Advisor's ability to fulfill contractual commitments to the Nile Series of Mutual Funds on a quarterly basis.

ITEM 19 REQUIREMENTS FOR STATE- REGISTERED ADVISERS

Nile Capital Management is registered as an adviser with the Securities and Exchange Commission.