

FORM ADV PART 2A: FIRM BROCHURE

SRS INVESTMENT MANAGEMENT, LLC & SRS PRIVATE INVESTMENT MANAGEMENT, LLC

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This Brochure provides information about the qualifications and business practices of SRS Investment Management, LLC and SRS Private Investment Management, LLC (collectively referred to in this Brochure as “SRS”). If you have any questions about the contents of this Brochure, please contact David Zales at 212-520-7928 or by email at david.zales@srsfund.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about SRS Investment Management, LLC and SRS Private Investment Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

SRS is updating its Brochure as of March 31, 2015, as part of its annual amendment filing. The following is a summary of the material changes made since SRS last updated its Brochure on March 31, 2014:

1. SRS made certain general updates and clarifying amendments to this Brochure.

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ITEM 4 – ADVISORY BUSINESS

SRS Investment Management, LLC (“SRS Investment Management”), a Delaware limited liability company, has provided investment advisory services since March 1, 2007. SRS Investment Management provides discretionary investment advisory services to private investment funds that invest in a wide variety of securities and financial instruments, primarily focusing on publicly traded equity securities (the “Hedge Funds”). The offshore Hedge Funds are organized in a mini- master-feeder structure, with an offshore feeder fund and an offshore master fund (the “Hedge Master Fund”). Further, the Hedge Master Fund invests its assets on a side-by-side basis with a domestic stand-alone fund (the “Domestic Fund” and together with the Hedge Master Fund, the “Hedge Funds”). SRS presently manages two customized pooled investment vehicles exclusively for investment by affiliates of SRS Investment Management and accounts and collective investment vehicles managed by unaffiliated investment advisers. (“Special Opportunities Funds”).

SRS Private Investment Management, LLC (“SRS Private Investment Management”), a Delaware limited liability company, has provided investment advisory services since July 5, 2006. SRS Private Investment Management provides discretionary investment advisory services to private investment funds that invest primarily in Indian real estate and private equity investments (the “PE Funds”). The PE Funds also are organized in a master-feeder structure, with a U.S. feeder fund (the “PE Domestic Feeder”), an offshore feeder fund (the “PE Offshore Feeder”) and an offshore master fund (the “PE Master Fund”). SRS Private Investment Management also advises a special purpose vehicle (the “Special Purpose Vehicle”) that has several external co-investors. The Special Purpose Vehicle was established by the PE Master Fund and is managed as a component of the PE Master Fund.

SRS Investment Management and SRS Private Investment Management are referred to collectively in this Brochure as “SRS.” The Hedge Funds, the Special Opportunities Funds, and the PE Funds are referred to collectively as the “Funds” or “Advisory Clients” and individually as a “Fund” or “Advisory Client.” “Investors” are investors in the Funds.

SRS presently provides investment advisory services solely to the Funds. Each Fund’s structure, fees, investment objective and investment strategies are set forth in detail in a confidential private placement memorandum (“CPPM”) or, in the case of the Special Opportunities Funds, the Limited Partnership Agreement and Subscription Documents. The applicable CPPM or Limited Partnership Agreement is provided to each Investor in a Fund, and prospective Investors should read the CPPM or the Partnership Agreement thoroughly before making an investment in the Fund.

SRS does not presently, but may at some point in the future, also provide discretionary investment advisory services to one or more separately managed accounts.

Karthik R. Sarma is the principal owner of SRS Investment Management and SRS Private Investment Management.

SRS has full discretion in investment decisions made on behalf of the Funds. Investment advice is provided directly to the Hedge Funds, PE Funds, and the Special Opportunities Funds according to each Fund's particular investment objectives and not individually to the applicable Fund's investors.

As of December 31, 2014, SRS Investment Management managed \$5,321,780,759 of regulatory client assets, all on a discretionary basis. As of December 31, 2014, SRS Private Investment Management managed \$162,466,407 of regulatory client assets, all on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

It is critical that Investors refer to their respective Fund's offering documents for a complete understanding of how fees are deducted from their capital accounts. The information contained herein is a summary only and is qualified in its entirety by the applicable Fund's offering documents.

The Hedge Funds

Management Fee. SRS Investment Management typically receives an annual management fee ("Management Fee") equal to 1.5% of each Investor's share of the applicable Fund's net asset value, payable quarterly in advance, provided however, for investors invested in the Hedge Funds prior to April 1, 2014, SRS Investment Management may receive a Management Fee equal to 1.25% on a portion of such Investor's balance. The Management Fee is deducted from each Investor's capital account quarterly in advance. A *pro rata* Management Fee will be charged to Investors on any amounts accepted by the Fund as investments during a quarter. SRS Investment Management, in its sole discretion, may elect to reduce, waive or calculate differently the Management Fee with respect to any Investor.

Incentive Allocation. SRS Partners US GP, LLC, an affiliate of SRS Investment Management and the general partner of certain of the Hedge Fundsⁱ (the "Hedge General Partner"), is entitled to receive an incentive allocation from the Hedge Funds. Generally, at the close of each fiscal year, the Hedge General Partner will receive a performance-based allocation (the "Incentive Allocation") from each Investor's capital account equal to 20% of the excess of (i) the net capital appreciation (*i.e.*, the increase in the value of the Hedge Fund's net assets) allocated to such capital account for the year over (ii) any profits, losses and expenses incurred at the Fund level attributable to such capital account for the year, subject to a "loss carryforward" provision (as described below). The Hedge General Partner also will receive an Incentive Allocation at the time shares are redeemed by an Investor, whether such redemption was voluntary or involuntary, and upon termination of the Hedge Funds. The Hedge General Partner, in its sole discretion, may (i) elect to reduce, waive or calculate differently the Incentive Allocation with respect to any Investor or (ii) cause the Hedge Funds to allocate a portion of the Incentive Allocation to certain Investors that may or may not be affiliated with the Hedge General Partner.

The Incentive Allocation is subject to a “high water mark” procedure. If a capital account has been allocated net capital depreciation (*i.e.*, the decrease in the value of the Hedge Fund’s net assets) for any fiscal year (or other applicable period), this loss will be carried forward as to such capital account to future fiscal years (or other applicable periods) (a “loss carryforward”). Whenever there is a loss carryforward for a capital account, the Hedge General Partner will receive a reduced Incentive Allocation with respect to the capital account according to a calculation as described in the applicable CPPM. The Hedge General Partner may agree with any Investor to apply a different loss carryforward provision for such Investor.

Capital Contributions by SRS and Affiliates. Capital contributions by SRS, its personnel and its affiliates will generally be on the same basis as capital contributions made by Investors, except that, in the discretion of SRS and/or its affiliates, no Management Fee or Incentive Allocation will be assessed to such parties and such parties may not be required to maintain any minimum capital account balance.

The PE Funds

Closings, Investment Period and Catch-Up Fee. The PE Funds were closed as of July 2007. An initial closing for the sale of interests in the PE Funds was held as soon as practicable (“Initial Closing”). Additional subscriptions (and increases in commitments by existing Investors) were accepted at subsequent closings for up to twelve months after the Initial Closing (“Subsequent Closings”). Investors admitted (and existing Investors increasing their commitments) subsequent to the Initial Closing participate in investments held as of their dates of admission and are required to make catch-up capital contributions, which are applied to their *pro rata* share of the cost of (and contributions with respect to) investments made prior to such Subsequent Closing, as well as contributions for fees and expenses, and an additional amount equal to the prime rate plus 2% (“Catch-Up Fee”).

The PE Funds had an investment period of five years from the date of the final Subsequent Closing (“Investment Period”). The five-year Investment Period concluded in July 2012. After the Investment Period, all Investors will be released from their obligations with respect to their unfunded commitments, except for capital contributions to be used or reserved for (i) expenses and fees, (ii) Fund investments committed to or in process during the Investment Period, (iii) the funding of other liabilities and obligations incurred during the term of the PE Funds, (iv) for a period of two years after the end of the Investment Period, follow-on investments in existing investments in an aggregate amount of up to 20% of the applicable Fund’s total commitments and (v) protecting a Fund investment (by taking an equity and/or senior debt position in such investments or otherwise) or in connection with a workout or restructuring of a Fund investment or a similar transaction.

Management Fee. The PE Master Fund pays a Management Fee to SRS Private Investment Management quarterly in advance, during the term of the PE Funds, commencing as of the date of the Initial Closing. During the Investment Period, the Management Fee was 2.0% per annum of an Investor’s commitment. After the Investment Period, the Management Fee is 1.5% per annum of an Investor’s commitment funded in respect of investments that have not been subject of a disposition. The Management Fee is subject to reduction at the discretion of the General

Partners of the PE Funds. The co-investors in the Special Purpose Vehicle also pay a Management Fee to SRS Private Investment Management.

Carried Interest. Net proceeds from the operation, retirement, repayment, disposition and refinancing of each investment or portion thereof (“Distributable Proceeds”) are allocated to the limited partners at the PE Master Fund level (*i.e.*, the PE Domestic Feeder and the PE Offshore Feeder) in accordance with their respective percentage interests therein. Each limited partner’s allocable share of Distributable Proceeds is then distributed to such limited partner and SRS Private Investments Master Fund GP, LLC, an affiliate of SRS Private Investment Management and the General Partner of the PE Master Fund (the “PE Master Fund General Partner”), in the following order of priority:

- *Return of Capital.* First, 100% to such limited partner until the cumulative amount distributed to such limited partner in respect of such investment and all realized investments equals the aggregate of the following (collectively, “Realized Capital and Costs”):
 - a) the limited partner’s capital contribution attributable to such investment and all realized investments, including allocated Fund Expenses and Organizational Expenses (as defined in “Other Types of Fees and Expenses: The PE Funds” below);
 - b) the limited partner’s share of aggregate net loss from write-downs, if any, from the applicable limited partner’s unrealized investments (taken as a whole), as of the date of such distribution; and
 - c) the limited partner’s Management Fees paid to such date that are attributable to such investment and all realized investments.
- *Preferred Return.* Second, 100% to such limited partner until the cumulative distributions to such limited partner in respect of such investment and all realized investments, in excess of its Realized Capital and Costs, equal a preferred return on the amount of its Realized Capital and Costs at the rate of 5% per annum, compounded annually, which will begin to accrue on capital contributions from the date on which such capital contributions are made (“Preferred Return”).
- *General Partner Catch Up.* Third, 100% to the PE Master Fund General Partner until the PE Master Fund General Partner has received with respect to such limited partner 20% of the sum of all distributions made to (i) such limited partner pursuant to the “Preferred Return” above and (ii) to the PE Master Fund General Partner with respect to such limited partner pursuant to this paragraph.
- *80%/20% Split.* Thereafter, 80% to such limited partner and 20% to the PE Master Fund General Partner (“Carried Interest”).

Upon termination of the PE Funds, the PE Master Fund General Partner will be required to restore funds to the PE Domestic Feeder and the PE Offshore Feeder if and to the extent that the

PE Master Fund General Partner has received amounts on account of its Carried Interest greater than 20% of (i) the total amounts that would have been distributed to the limited partners had the PE Master Fund General Partner not received any Carried Interest distributions, less (ii) the limited partners' total capital contributions, but in no event will the PE Master Fund General Partner be required to restore more than the cumulative Carried Interest received, net of income taxes payable thereon.

The Special Opportunities Funds

The Special Opportunities Funds may utilize different trading and/or investment strategies than the other Advisory Clients and may be subject to different terms and arrangements (including fees, liquidity rights, transparency rights, termination rights and brokerage) than the other Advisory Clients. SRS Special Opportunities GP II, LLC, and SRS Special Opportunities III GP, LLC, affiliates of SRS Investment Management are the general partners the Special Opportunities Funds ("Special Opportunities General Partners", taken together with the Hedge General Partner, the "Hedge General Partners"), and are entitled to receive management fees in addition to incentive based compensation from the Special Opportunities Funds (as applicable).

Other Types of Fees and Expenses: The Hedge Funds

In addition to the fees described above, Hedge Fund Investors bear indirectly other fees and expenses charged to the Hedge Funds.

Organizational Expenses. The Hedge Funds pay, or reimburse, SRS Investment Management and/or its affiliates for all of the Hedge Funds' organizational, initial offering and operating expenses, including, but not limited to, all accounting, auditing, tax preparation, legal, administration, research and trading costs, printing and mailing expenses and government filing fees (including "blue sky" filing fees).

Operating Expenses. The Hedge Funds pay, or reimburse, SRS Investment Management and/or its affiliates for (i) all expenses incurred in connection with the ongoing offer and sale of interests/shares, including but not limited to printing of offering documents, documentation of performance and the issue of shares (but excluding marketing expenses), (ii) all operating expenses of the Funds, such as Management Fees, tax preparation fees, governmental fees and taxes, administrator fees, costs of regulatory filings of the Adviser as they specifically relate to the Hedge Funds, communications with Investors and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses, (iii) all Fund research, trading and investment related costs and expenses (*e.g.*, research reports, due diligence on portfolio companies, market data costs and expenses, brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges), and (iv) all fees to protect or preserve any investment held by a Fund and all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against a Fund. The Hedge Funds also bear all fees incurred in providing Investors with tax returns and reports.

Other Types of Fees and Expenses: The PE Funds

The PE Funds are responsible for certain expenses incurred in connection with the operation of the PE Funds (“Fund Expenses”), including the following:

- all out-of-pocket expenses incurred in connection with the conduct of the PE Funds’ investment program, including in relation to proposed investments not consummated and costs associated with monitoring of the PE Funds’ investments;
- legal, accounting, consulting and other expenses relating to the administration and operation of the PE Funds;
- principal, interest and other expenses associated with any borrowing or other financing by the PE Funds;
- all costs of organizing the PE Funds, excluding placement fees, other than placement fees to third-parties discussed below (“Organizational Expenses”); and
- any placement fee payable to a person other than SRS Private Investment Management or its affiliates in connection with the offering of interests to Investors, which will be allocated to Investors in respect of which the fee is payable.

Other Types of Fees and Expenses: The Special Opportunities Funds

The expenses charged to the Special Opportunities Funds are individually negotiated.

Side Letters; Different Terms of Investors

A Fund or SRS may from time to time enter into letter agreements or similar agreements (collectively, “Side Letters”) with one or more Investors that may alter, modify or change the terms of the shares held by such Investors. Side Letters may provide such Investor(s) with additional and/or different rights (including, without limitation, the Incentive Allocation, Management Fees, redemption rights, minimum and additional subscription amounts, informational rights, capacity rights and other rights) than the other Investors. A Fund is not required to notify any or all of the other Investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Investors.

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

As described above, SRS Investment Management presently provides investment advisory services to the Hedge Funds and the Special Opportunities Funds. Investors in the Hedge Funds and Special Opportunities Funds are subject to performance-based compensation. In addition, SRS Private Investment Management presently provides investment advisory services to PE Funds, and Investors in the PE Funds are subject to a performance-based fee in the form of

Carried Interest. As such, the conflict of interest related to managing accounts that charge performance-based fees alongside accounts that do not charge performance-based fees does not apply to SRS.

The possibility that the Hedge General Partners and/or the PE Master Fund General Partner (together, the “General Partners”) could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for SRS to effect transactions in investments that are riskier or more speculative than would be the case if the General Partners were compensated solely based on a flat percentage of capital. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment.

While each Advisory Client managed by SRS pays performance-based compensation to the applicable General Partner, it should be noted that SRS does not charge a performance-based fee with respect to members, employees and affiliates of SRS or the General Partners.

ITEM 7 – TYPES OF CLIENTS

SRS provides investment advisory services to pooled investment vehicles operating as private investment funds. Generally, only persons who are accredited investors and qualified purchasers (as such terms are defined under federal securities laws) may purchase interests or shares in the Funds.

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

Methods of Analysis and Investment Strategies

Hedge Master Fund and the Domestic Fund

The Hedge Master Fund and the Domestic Fund invest and trade in securities and financial instruments of all kinds and descriptions, whether publicly traded or privately placed, including, but not limited to, common and preferred stocks, options, bonds and other debt securities, warrants, commodities, futures contracts, over-the-counter derivatives, certificates of deposit, convertible securities, asset-backed securities, limited partnership or limited liability company interests, mutual fund shares, closed-end investment funds, currencies, precious metals, derivative products of all types, monetary instruments and cash and cash equivalents.

The following is a general summary of the principal types of securities and other instruments in which the Funds may invest, certain trading techniques that they may employ, the investment

criteria that they plan to apply and the guidelines established with respect to the composition of the investment portfolio.

Investment Objective and Strategies. The objective of the Hedge Funds is to deliver superior risk-adjusted absolute returns over the long term through the implementation of a global long/short equity strategy based on fundamental research. The Hedge Funds also will attempt to preserve capital and minimize risk through diversification of investments. SRS intends to conduct substantial research and employ a disciplined investment process in making long and short investments in the global equity markets. SRS intends to invest across several industries and geographies in order to achieve the Hedge Funds' investment objective. SRS has experience investing in the global technology and technology-related markets, as well as investing across various sectors in India, and therefore anticipates that it may have a stronger focus on opportunities in these markets.

SRS intends to develop an extensive understanding of the industries in which the Hedge Funds will invest by leveraging relationships with the various participants in an industry, such as customers, competitors, suppliers and industry experts. SRS will use this understanding as the basis for building its financial models and attempting to assess a company's prospects for success or failure. SRS believes it will be in a position to recognize industry trends and capitalize on stock-specific opportunities ahead of the broader markets.

SRS intends to engage in short sales and to use leverage prudently. SRS may utilize derivative securities, primarily options and may invest in index options, futures, exchange traded funds or other instruments to hedge the Hedge Funds' portfolios. SRS may seek to hedge the portfolios' currency exposure using currency forward or option contracts.

Investment Identification. SRS intends to develop a strong understanding of the industries in which it intends to invest the Hedge Funds' assets and leverage this information to identify potential investments. SRS may supplement this information with other sources such as quantitative stock screens, industry experts and research reports. Some examples of characteristics that SRS will look for in its long investments are market leaders in industries with sustainable growth prospects and attractive industry dynamics, companies with strong growth prospects that arise from discontinuous technologies or products/services with low and rapidly growing market penetration, companies in developing countries with business models that have proven successful in the U.S. or other developed economies and companies that are "out of favor" with Wall Street due to prior mismanagement and are in the process of restructuring. Some characteristics of short investments include companies that are facing significant deceleration in growth due to structural changes in the industry, companies losing market share to existing or new competitors, companies facing significant margin pressures, companies with questionable accounting and business practices and poor quality of earnings.

Investment Analysis. Once a potential investment has been identified, SRS conducts business due diligence and financial analysis of individual companies. Business diligence will involve collecting information on the company's products and services from SRS's network of contacts, discussions with industry experts and analysis of the supply-demand characteristics of the underlying products. Financial analysis may involve analysis of the financial history of the

business, building financial models that attempt to forecast the prospects of a business and understanding the unit economics and return on capital characteristics of a business.

Investment Monitoring. SRS monitors individual positions to ensure that the company's investment thesis remains unchanged. Investment monitoring may include discussions with management teams, competitors and other industry contacts, review of a company's public filings and analysis of earnings reports of industry participants. SRS also intends to monitor trading prices on a regular basis to attempt to take advantage of stock price moves to either reduce or add to positions.

Portfolio Monitoring. SRS monitors individual positions in the context of the Hedge Funds' portfolio as a whole and monitors the portfolio's exposure by geography, industry sub-sector and market capitalization. SRS seeks to minimize the market-related portfolio volatility and to monitor investment positions in view of the portfolio as a whole in order to manage risk.

The PE Funds

The PE Funds (through the PE Master Fund) are invested primarily in Indian real estate and private equity investments. On the real estate front, the PE Funds invest in commercial, residential, retail and hospitality assets and also invest in real estate development companies. The investment objective of the PE Funds is to identify and acquire attractive real estate assets, develop them into quality end products and lease/sell them to potential users/acquirers. On the private equity front, the PE Funds seek to identify businesses in good markets with strong management teams and provide them with capital to capture growth opportunities. Several sectors offer attractive investment opportunities, including information technology ("IT"), consumer goods, infrastructure, retail and pharmaceuticals. Investments may be made in both private and public companies (*i.e.*, private investments in public equity, or "PIPE" transactions). The PE Funds also may invest through entities in the Republic of Mauritius and/or Cyprus to take advantage of favorable tax treatment by the Indian government pursuant to taxation treaties between India and Mauritius and India and Cyprus, respectively.

Investment Objective. The PE Funds' strategy is to acquire assets across a variety of real estate product-types in a variety of geographic locations and to make private equity investments across a variety of sectors, with no more than 20% of the PE Funds' committed capital invested in any single asset or investment. With respect to real estate investments, the PE Funds intend to actively pursue development opportunities with local partners in the largest urban centers in India where the population is close to one million (*i.e.* Mumbai, New Delhi, Bangalore, etc.). SRS Private Investment Management (referred to in this Item 8 as "SRS") believes that all these markets offer significant potential for both redevelopment of existing sites as well as development of new projects.

SRS believes that India is emerging as a global services hub, driven by the large availability of a highly educated workforce. The "outsourcing boom" has changed the face of commercial real estate in India, but its greater impact has been the demographic shift characterized by rising disposable incomes and increased consumerism. This in turn has a significant impact on residential and retail real estate development. The target investment categories that SRS pursues are:

- *Commercial Real Estate.* The commercial demand in India is led by the outsourcing boom in the IT services industry, as well as business expansion by domestic companies. SRS has identified key trends, including the need for real estate particularly due to the growth of the IT/ITES industry, continued use of offshoring, the emergence of the Indian auto industry and rapid expansion in various sectors, such as banking and financial services, media, insurance, entertainment, airlines and tourism. These trends, in SRS's view, are leading to significant demand for high quality and efficient infrastructure.
- *Residential Real Estate.* The growth in the residential market nationwide is driven by increasing urbanization, higher employment, rising income, cheap and easier availability of credit. Furthermore, the growth in the services sector is raising the standard of living expectations of the Indian consumer.
- *Retail Real Estate.* SRS believes that increasing disposable income and purchasing power and rising consumption will continue to drive demand for retail, and that the retail industry in India is at an inflexion point. The requirements will be further accelerated as a result of both Indian retailers and foreign brands aggressively trying to establish a pan India presence. The biggest bottleneck to the growth of organized retail is the availability of quality real estate. The increased space will primarily come from larger retailing formats and multiplexes offering recreation and entertainment facilities, along with food and apparel sales.
- *Hotels.* The Indian tourism sector is one of the fastest growing in the world, and this offers attractive opportunities in the hospitality sector. Improved transportation infrastructure, new airport developments, privatization of existing airports and launching of low cost airlines have enabled the Indian hospitality sector to undergo recent unprecedented growth. SRS believes that some of the key sector trends include greater occupancy levels in the upscale hotel segment, greater demand for hotel rooms and demand for quality service apartments to meet the needs of the growing population of foreign nationals visiting India for extended stays.
- *Private Equity.* The growth and liberalization of the Indian economy has created a range of private equity opportunities for investors. The main investment themes that SRS intends to focus on are outsourcing opportunities, particularly in the IT, pharmaceuticals and auto components sectors; consumer-driven opportunities, particularly in the retail, fast moving consumer goods and financial services sectors; and infrastructure opportunities, including roads, ports and energy.

Investment Strategies. SRS intends to perform detailed analyses of multiple industry sectors and regional markets to identify private equity and real estate opportunities, respectively. This will be complemented by developing a network of partners in various industries and regional markets to assist with local domain knowledge and execution skills. In seeking to deliver attractive risk-adjusted returns, SRS intends to employ several focused investment strategies. These are:

- *Thorough market analysis to identify attractive investment opportunities.* The investment strategy will be driven by developing a top-down view of various regional markets and industry sectors. SRS intends to conduct thorough market analysis and identification of

attractive investment opportunities in local geographies. Based on the expertise, relationships and market knowledge it has across a broad range of product types and geographic regions, SRS believes it will be well equipped to anticipate promising new investment themes before they become generally appreciated.

- *Proactively structure transactions that target these high potential opportunities.* In general, SRS will focus on finding creative solutions that will allow it to make investments at attractive valuations and to create incremental value in the investment. SRS intends to create investment structures that will align the interests of its operating partners with those of the PE Funds. Generally, this will be achieved through equity participation in the investment and compensation linked to the success of the investment. The arrangements with these partners may also be structured to provide the PE Funds with exclusive or preferential rights to transactions sourced by those partners. In certain cases, in areas which SRS has identified as attractive opportunities for future development, the PE Funds will acquire and hold assets for a period until such time as SRS thinks prudent to sign on operating partners and commence development.
- *Leverage strong domestic relationships to create a proprietary deal flow.* SRS believes that it will benefit from its domestic relationships and institutional knowledge of India. SRS intends to leverage these relationships to identify, develop and execute its own unique and exclusive investment opportunities. SRS also intends to make smaller, select investments that provide footholds in new sectors and markets and solidify a bond with an operating partner.
- *Develop network of operating partners in various local geographies.* In executing its investment program, the PE Funds intend to form joint ventures with local developers to enter different regional markets and build platforms for ongoing deal flow. Local knowledge of regional partners will be critical to the success of most projects. SRS believes that although most blue-chip developers are well capitalized, they are looking to team up with institutional capital sources to increase creditability and for access to incremental deal flow.
- *Disciplined Investment Philosophy.* SRS intends to pursue a disciplined approach to investments. The PE Funds' investment policy typically will contain goals and objectives; core and specialty investment criteria and methodology; prudent leverage policy; and guidelines for asset management, investment advisory contracting, fees and utilization of consultants and other outside professionals. The objective is to focus on identifying attractive opportunities that offer significant upside potential with controllable downside risk.
- *Defined Exit Strategies.* In evaluating any investment opportunity, the PE Funds will carefully consider potential exit options. To that end, SRS will focus on making investments in high quality, well-located assets and companies that it believes will appeal to a wide group of subsequent buyers. SRS intends to analyze numerous potential disposition strategies, such as a private portfolio sale, a merger with a public or private company or a public market recapitalization or partial disposition through a joint venture or refinancing and will seek to structure investments to maximize the flexibility of the PE

Funds in choosing an exit strategy. In addition, factors that reduce the value of an asset will be closely scrutinized during due diligence to determine the effects on value.

Investment Process. SRS intends to follow a well-defined investment process that incorporates a high degree of teamwork, checks and balances, risk management and oversight. The investment process is outlined below.

- *Market Analysis.* SRS seeks to (i) understand and regularly track macro factors that have a derivative impact on real estate demand as well as their impact on various industry sectors; (ii) determine specific market attractiveness, policies and infrastructure activity; and (iii) identify the most attractive sites and end uses as well as highest potential industry sectors.
- *Deal Sourcing.* Steps include (i) proprietary deal sourcing through SRS's network; (ii) deal sourcing by working with third parties such as operating partners, real estate consultants, investment banks, asset reconstruction companies, land owners, etc.; and (iii) where appropriate, retaining consultants to enhance understanding of high potential opportunities.
- *Investment Analysis.* In connection a proposed investment, SRS will prepare analyses to project realizable cash flows and assess the ability of investments to support SRS's obligations and achieve their growth and profitability targets. In its analyses, SRS intends, where appropriate, to work with management, developers or other partners and consultants to enhance its understanding of an investment's prospects. Where appropriate, SRS intends to retain third-party consultants to assess business and market conditions, competition, physical and environmental concerns and other factors.
- *Deal Structuring.* SRS will strive to optimize each investment's capital structure with favorable pricing and terms. Additionally, structuring expertise is expected to be used to devise tax efficient structures for Investors and keep multiple exit options in mind. SRS will also seek to structure deals with prudent leverage to attempt to maximize equity returns.
- *Asset Management.* SRS will oversee all of the PE Funds' investments utilizing strict operational and accounting controls in conjunction with periodic site inspections, while corporate management teams, joint venture partners and other third-party property managers will be responsible for the day-to-day operations of each investment. The PE Funds intend to compensate the entities responsible for the day-to-day operations of specific investments in a manner intended to align the interests of these entities with those of the PE Funds. Generally, this will be achieved through equity participation in the investment and compensation linked to the investment's success. SRS will supervise and oversee the management of each investment, reviewing operational discussions and joint venture decisions and overseeing the performance of third-party property managers with the objective of maximizing each investment's overall performance. Status reports on the PE Funds' investments will be prepared by the separate corporate management teams, joint venture partners and third-party property managers for review by SRS. In

addition, an operating budget for each investment will be prepared for SRS's review and approval.

- *Risk Management.* After making an investment, SRS will consider further steps to manage the related on-going risk, including the management of interest rate and foreign exchange rate exposure, the monitoring of debt duration and mix of maturities, the sale of assets with limited upside potential, global insurance policies and appropriate economic incentives for property managers, joint venture partners and corporate executives.
- *Asset Disposition.* The business plan and exit strategy for each individual asset will be periodically updated during the ownership period to reflect and take advantage of market conditions. The PE Funds intend to continuously monitor local market conditions to attempt to maximize total returns for Investors. SRS will recommend dispositions and recapitalization strategies based on ongoing performance of specific investments and market conditions.

Special Opportunities Funds

The Special Opportunities Funds are single themed equity and equity linked investment ideas that may also be commonly held by the Hedge Fund. The Special Opportunities Funds are concentrated in nature and may include market based hedges depending upon specific investment classes.

Material Risks

An investment in the Funds involves significant risks not associated with other investment vehicles, due, among other things, to the nature of the Funds' investments. Investors in the Funds must be prepared to bear such risks for an extended period of time. An investment in the Funds would be suitable for an Investor only if the Investor has adequate means of providing for its current and future needs, has no need for liquidity in such investment and can afford to lose the entire amount of the investment. There can be no assurances or guarantees that (i) a Fund's investment strategies will prove successful or (ii) an Investor will not lose all or a portion of its investment in the relevant Fund.

The following is a summary of some of the material risks associated with the strategies expected to account for a significant portion of the Funds' investments. This summary does not attempt to describe all of the risks associated with an investment in a Fund. Although no summary can fully describe all of the risks associated with such an investment, the CPPM for each Fund contains a more complete description of the risks associated with an investment in that Fund.

It is critical that Investors refer to the relevant CPPM and other governing documents for a complete understanding of the material risks involved in relation to the types of securities that SRS invests in on behalf of Advisory Clients. The information contained herein is a summary only and is qualified in its entirety by such documents.

The Hedge Funds and Special Opportunities Funds (Collectively “Hedge” Funds for this Section)

Investment and Trading Risks Generally. Certain investment techniques of the Hedge Funds can substantially increase the impact of adverse market movements to which the Hedge Funds may be subject. In addition, the Hedge Funds’ investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Hedge Funds invest their assets. The Hedge Funds’ methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, current market prices and implied volatility, which may not predict market divergences that are larger than such indicators. Information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Dependence Upon Key Personnel. The Hedge Funds’ success will depend on the management of SRS and primarily on the skill and acumen of Karthik R. Sarma, who serves as portfolio manager for the Hedge Funds. If Mr. Sarma should die, become incompetent or disabled for 90 consecutive days, or otherwise cease to be involved in the affairs of the Hedge Funds, the Investors, upon receiving notice of any such event, shall have 30 days to redeem their shares. Further, if Mr. Sarma should cease to participate in the Hedge Funds’ business, the Hedge Funds’ ability to select attractive investments and manage their portfolio could be severely impaired.

Concentration of Investments. There is no limitation regarding the amount of the Hedge Funds’ assets that may be invested in a single company, currency, commodity, security, country, industry, sector or asset class, and SRS does not subject the portfolio to any formal policies regarding diversification. The concentration of the portfolio in any such manner would subject the Hedge Funds to a greater degree of risk with respect to the failure of one or a few investments, or with respect to economic downturns in relation to an individual industry or sector.

Investment Expenses. The investment expenses (e.g., expenses related to the investment and custody of the Hedge Funds’ assets, such as brokerage commissions, custodial fees and other trading and investment charges and fees) as well as other fees may, in the aggregate, constitute a high percentage relative to other investment entities. Some of the strategies and techniques to be employed by SRS will require frequent trades to take place and, as a consequence, portfolio turnover and brokerage commissions may be greater than for other investment entities of similar size. The Hedge Funds will bear these costs regardless of their profitability.

Options and Other Derivative Instruments. SRS may invest in options and derivative instruments, including buying and writing puts and calls. The prices of many derivative instruments, including many options and swaps, are highly volatile. The Hedge Funds also are subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Liquidity Risks. Liquidity may be important to certain aspects of the Hedge Funds' business. In addition to financial instruments and assets for which no markets exist or that are illiquid by nature, the Hedge Funds' portfolio may include other relatively illiquid investments. Under certain market conditions, such as during volatile markets or when trading in an instrument or market is otherwise impaired, the liquidity of the Hedge Funds' relatively liquid portfolio positions may be reduced. During such times, the Hedge Funds may be unable to dispose of certain assets, which would adversely affect the Hedge Funds' ability to rebalance their portfolio or to meet withdrawal requests. In addition, such circumstances may force the Hedge Funds to dispose of assets at reduced prices, thereby adversely affecting the Hedge Funds' performance. Many non-U.S. financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced for the Hedge Funds' investments.

The Hedge Funds' Investment Activities. The Hedge Funds' investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors that are neither within the control of nor predictable by SRS. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Hedge Funds to realize profits. As a result of the nature of the Hedge Funds' investing activities, it is possible that the Hedge Funds' financial performance may fluctuate substantially from period to period.

Market Volatility. The profitability of the Hedge Funds substantially depends upon SRS correctly assessing the future price movements of stocks, bonds, options on stocks, over-the-counter derivatives, commodities, currencies and other securities and the movements of interest rates. SRS cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Investments in Securities and Other Assets Believed to Be Undervalued. SRS's investment program contemplates that a portion of the Hedge Funds' portfolio may be invested in securities and other assets that SRS believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from the Hedge Funds' investments may not adequately compensate for the business and financial risks assumed.

Currency Risks. The Hedge Funds' investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Leverage. The Hedge Funds intend to use leverage in their investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase volatility and the risk of loss. To the extent the Hedge Funds purchase securities with borrowed funds, their net assets will tend to increase or

decrease at a greater rate than if borrowed funds are not used. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Short Sales. When deemed appropriate by SRS, the Hedge Funds may sell securities short. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Hedge Funds may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

Hedging Transactions. The Hedge Funds may utilize financial instruments to seek to hedge fluctuations in the relative values of the Hedge Funds' portfolio positions as a result of changes in various economic factors and other events. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The success of the Hedge Funds' hedging strategy will depend, in part, upon SRS's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. While the Hedge Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Hedge Funds than if they had not engaged in such hedging transactions. The Hedge Funds will not be required to hedge any particular risk in connection with a particular transaction or their portfolio generally. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged.

Investments in Non-U.S. Investments. The Hedge Funds may invest and trade a portion of their assets in non-U.S. securities and other assets, which will give rise to risks relating to political, social and economic developments abroad, as well as risk resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by non-U.S. governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, capital gain, gross sales or disposition proceeds or other income, high or confiscatory tax levels and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some non-U.S. countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against non-U.S. governments.
- Non-U.S. securities and other assets often trade in currencies other than the USD, and the Hedge Funds may directly hold non-U.S. currencies and purchase and sell non-U.S. currencies through forward exchange contracts. Changes in currency exchange rates will affect the Hedge Funds' net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. Some non-U.S. currencies are particularly volatile.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Non-U.S. countries

often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Emerging Markets. The Hedge Funds invest in markets worldwide. Investment in emerging market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may be subject to the following risks: less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favorable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

Risk of Trading Futures and Commodities. Trading futures and/or commodities (or options thereon) is a highly risky strategy for the Hedge Funds and SRS. Whenever the Hedge Funds purchase a particular future and/or commodity (or an option thereon), there is a substantial possibility that it may sustain a total loss of its purchase price. The prices of futures and/or commodities are, in general, much more volatile than prices of securities such as stocks and bonds. As a result, the risk of loss in trading futures and/or commodities is substantially greater than in trading securities. To reduce this risk SRS will stay within certain regulatory thresholds applicable to pools relying on Commodity Futures Trading Commission (“CFTC”) Regulation 4.13(a)(3).

The PE Funds

General Risks of Real Estate Ownership. The investments of the PE Funds will be subject to the risks generally incident to the ownership of real property, including uncertainty of cash flow to meet fixed and other obligations; adverse changes in local market conditions, population trends, general economic conditions and local employment conditions; changes in fiscal policies; competition from other properties; and uninsured losses and other risks that are beyond the control of the PE Funds. There can be no assurance of profitable operations because the cost of owning the PE Funds’ properties may exceed the income produced, particularly since certain expenses related to real estate and its development and ownership, such as utility costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. The PE Funds’ investments also may be adversely affected if the property managers employed by the PE Funds perform inadequately under their management agents or are not adequately supervised by the PE Funds.

Risks Associated with Property Acquisitions. The acquisition of real estate is subject to many risks. The PE Funds may acquire properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition or compliance with zoning laws, building codes or other legal requirements. In each case, the PE Funds’ acquisition of a property may be without any recourse, or with only limited recourse, with respect to unknown liabilities or conditions. As a result, if any liability were asserted against the PE Funds relating to those properties, or if any adverse condition existed with respect to the PE Funds, the PE Funds might be required to pay substantial sums to settle or cure it, and this could adversely affect the PE Funds’ cash flow and operating results.

Lack of Liquidity in Real Estate Investments. Investments in real estate are highly illiquid and subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers. Accordingly, there can be no assurance that the PE Funds will be able to realize on their investments in a timely manner or that there will be purchasers for the investments. Even if the investments are successful, they may not produce a realized return to the Investors for a period of years. Governmental regulations in India currently limit the ability of certain financial institutions to invest in real estate, and such restrictions — together with the requirement that foreign investors in certain categories of real estate obtain approval of the Indian Foreign Investment Promotion Board — may, if not relaxed, have the effect of limiting the number of potential buyers for the Private Funds' projects.

Investment Expenses. Investments in real estate and private equity investments require costly due diligence investigations. Further, the PE Funds may be obligated to contribute to the ongoing expenses incurred by the underlying investments, such as expenses for the ongoing operation and maintenance associated with an asset. These and other investment expenses (*e.g.*, travel to inspect portfolio company operations and administrative fees) as well as other PE Fund fees (*e.g.*, Carried Interest and operating expenses) may, in the aggregate, constitute a high percentage relative to other investment entities. The PE Funds will bear these costs regardless of their profitability.

Currency and Exchange Risks; Hedge Risks. Fluctuations in the currency markets may reduce the value in U.S. dollars of rents and other income payable in rupees or increase the cost in rupees of developing the PE Funds' projects. To the extent that revenues or sales or other proceeds are received in rupees, there can be no assurance that there will be adequate exchange procedures or sufficient reserves available to convert such earnings into U.S. dollars. This may delay or otherwise limit the ability of the PE Funds to make distributions to the Investors in U.S. dollars or to meet other obligations. Furthermore, the PE Funds may incur costs in connection with conversions between U.S. dollars and Indian rupees.

The PE Funds will not, as a matter of general strategy, attempt to mitigate currency exchange risks by entering into hedging arrangements with third parties. However, the PE Funds may enter into such agreements if they believe it is in their best interest. While such transactions may reduce certain risks, such transactions themselves entail certain other risks. Thus, while the PE Funds may benefit from the use of hedging techniques, unanticipated changes in currency exchange rates may result in a poorer overall performance than if the PE Funds had not entered into any such transactions. In the event of an imperfect correlation between a hedged position and the portfolio position that is intended to be protected, the desired protection will not be obtained, and the PE Funds may be exposed to risk of loss. Finally, the company issuing a hedging instrument (*i.e.*, the counterparty) may be unable to pay the amount due on such instrument.

Legal System. Laws regarding the certainty and continuity of legal title, the rights of creditors and the obligations of purchasers or lessees of property are generally significantly less developed in India than those in the US and may be less protective of the rights and interests of foreign investors and owners of property in general. In addition, it may be difficult to obtain swift and equitable enforcement of such laws or to obtain enforcement of a judgment in a local court.

Political, Legal, Social and Economic Considerations. The value of the PE Funds' investments may be adversely affected by potential political and social uncertainties in India. Certain developments beyond the control of the PE Funds, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments, could adversely affect the PE Funds' investments. India is a country that comprises diverse religious and ethnic groups. It is the world's most populous democracy and has a developed political system. Ethnic issues and border disputes, however, have given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir, and between certain segments of the Indian population. Any exacerbation of such tensions could adversely affect economic conditions in India and consequently the PE Funds' investments. While fiscal and legislative reforms have led to economic liberalization and stabilization in India in recent years, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. The PE Funds' investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing the acquisition of land, the formation of joint ventures and foreign direct investment, anti-inflationary measures, laws governing rates and methods of taxation and restrictions on currency conversion, imports and sources of supplies.

Although India has experienced significant growth and is projected to undergo significant growth in the future, there can be no assurance that such growth will continue. For example, the relocation trend may decelerate by reason of a general economic downturn in one or more industrialized nations, the promulgation of governmental policies in those nations discouraging the relocation of labor or a voluntary reduction in relocation by companies in response to negative popular opinion or customer dissatisfaction. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the PE Funds' investments.

Difficulty of Determining Market Conditions. The PE Funds believe that real estate markets in India lack the transparency that characterizes U.S. markets. As a result, it may be difficult to determine market values for properties that are under consideration for purchase or are in the PE Funds' investment portfolio. Consequently, there can be no assurance that the PE Funds will be able readily to set appropriate purchase or sale prices for their properties by reference to purchases and sales of comparable properties.

Restrictions on Foreign Direct Investment. Foreign investment in India is regulated by the guidelines issued by the Ministry of Commerce and Industry of the Government of India. In addition to the various guidelines issued, the Reserve Bank of India ("RBI") regulates foreign investment under the provisions of the Foreign Exchange Management Act, 1999 ("Indian FEMA") and the regulations issued under the Indian FEMA ("Indian FEMA Regulations").

Foreign direct investment ("FDI") can be made by non-Indian entities in securities issued by Indian companies under the "Automatic Route." However, investments under the Automatic Route are not permissible for the following:

- Investments in certain sectors where FDI is restricted or subject to certain sectoral limits. In some sectors the Automatic Route is available up to the prescribed sectoral limit, while

in others the acquisition of even one share would fall outside the Automatic Route and require regulatory approvals.

- Investments in activities requiring an industrial license under the Industries (Development and Regulations) Act, 1951 and investments in any Indian company manufacturing items reserved for the government-designated small-scale sector that would result in the cumulative non-Indian shareholding in such company exceeding 24% of the equity share capital.
- Investments in the financial services sector (*i.e.*, banks, non-banking financial companies and insurance) involving acquisitions of existing shares (as opposed to newly issued shares).
- Investments in existing shares of a public Indian company that would trigger the provisions of the Indian Takeover Code.
- In some instances, proposals where the foreign entity proposing to invest has a previous or existing joint venture or technical collaboration prior to January 12, 2005 in the same field of business (as determined under the National Industrial Classification system) as the Indian company in which it proposes to invest. The regulator must be satisfied that the proposed investment does not prejudice the existing venture or collaboration.

Where the Automatic Route is not available, prior permission from the Foreign Investment Promotion Board (“FIPB”), which is part of the Ministry of Finance, is required to be obtained by the non-Indian investor. Such approval typically takes six to eight weeks to obtain.

Pricing Limitations on FDI. There are also pricing limitations on the ability of a non-Indian investor to make and exit investments through FDI. In the case of a sale of shares to or a purchase of shares from a person resident in India, the RBI has prescribed pricing norms for the transfer of shares covering both listed and unlisted companies. Where the shares being transferred are shares of a company listed on a recognized stock exchange, the shares should be sold or purchased at the prevailing market price on such exchange. With respect to a sale or purchase of traded shares that are not listed on a recognized stock exchange, the transfer should be at a price determined on the basis of the market price. In the case of unlisted companies, the transfer price should be the fair value of the relevant shares, computed on the basis of established guidelines. Prior RBI approval would be required for the transfer of shares of an Indian company between a non-Indian investor and a person resident in India in a case where the transfer price does not conform to one of the above situations. Such prior approval would generally not be granted by the RBI. If the transfer does so conform, only a filing supported by the appropriate valuation certificates would have to be made with an authorized dealer or bank.

FDI in Preference Shares. The government of India has issued guidelines to the effect that FDI in preference shares will be considered as part of the share capital of a company and will be processed either through the Automatic Route or will require the approval of the Indian FIPB. Investments in preference shares are included as FDI for the purposes of the sector limits on foreign equity, if such preference shares carry a conversion option. Under Indian law, preference shares can be redeemed only out of profits of the company that would otherwise be available for

dividend or out of the proceeds of a new issue of shares made for the purposes of such redemption. The premium, if any, payable on such redemption would be provided out of the profits of the company or out of the company's securities premium account. Preference shares also are subject to certain additional limitations.

Investment by Foreign Venture Capital Investors ("Indian FVCIs"). An Indian FVCI registered with the Securities and Exchange Board of India ("SEBI") under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 ("Indian FVCI Regulations") is eligible for two important benefits: (1) an Indian FVCI can make and dispose of investments at negotiated prices that are not subject to the RBI's pricing regulations generally applicable to non-residents and (2) pre-initial public offering share capital held by an Indian FVCI would not be subject to a lock-in period of one year from the date of allotment in an initial public offering, unlike most of the pre-initial public offering share capital of such Indian company. However, it is currently doubtful whether Indian FVCI status would be available to foreign venture capital funds investing in Indian real estate. The PE Funds do not, at present, contemplate utilizing the FVCI route for making their investments; however, should Indian FVCIs be permitted to invest in real estate sector, SRS, in its absolute discretion, may decide to invest through the FVCI route.

Investment by Foreign Institutional Investors. An Indian Foreign Institutional Investor ("Indian FII") registered with the SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995 ("Indian FII Regulations") (which includes pension funds, mutual funds, investment trusts, asset management companies, banks, nominee companies and incorporated and institutional portfolio managers or their power of attorney holders fulfilling certain eligibility criterion established by SEBI in the Indian FII Regulations and registered with SEBI as such), or a sub-account of an Indian FII, may, subject to the Indian FII Regulations and the Indian FEMA Regulations, buy and sell equity shares and debentures of Indian companies (excluding companies engaged in the print media sector) through stock exchanges in India at the current market price. Investments by Indian FIIs on their own behalf or on behalf of their sub-accounts are subject to certain prescribed individual and collective statutory limits. The total holding of all Indian FIIs in an Indian company is subject to a maximum of 24% of the total issued capital of the company, which may be increased up to the applicable FDI sector limit with the passing of a board resolution and special resolution by the shareholders of the company.

The RBI acts as the regulatory body to monitor the sector/statutory limits on investments by Indian FIIs in an Indian company. If the total holdings of the Indian FIIs reach such sector/statutory limits, the RBI would require the Indian FII and the relevant Indian company to seek prior approval from the RBI for any purchase, which approval may not be forthcoming. Given that the majority of the investments of the PE Funds are expected to be in unlisted Indian companies, the PE Funds are unlikely to invest in India by registering as an Indian FII. However, SRS may, in its absolute discretion, exercise this option if the PE Funds propose to make significant Investments in listed Indian companies.

Corporate Governance, Disclosure and Accounting Standards in India. Disclosure and corporate governance standards in India are different than those in the United States, and accounting, financial and other reporting standards in India are not on par with those in more developed countries. Still, corporate governance and accounting standards in India, particularly

for listed companies, have gained increased attention in recent years and have been made more stringent in respect of disclosures, segmental reporting and consolidation of financial statements.

Additionally, the Indian Companies Act also contains certain provisions relating to corporate governance, which apply regardless of whether the company is listed or not, but vary depending on whether the company is public or private. A majority of the investments by the PE Funds are likely to be made in unlisted companies in relation to which corporate governance standards are clearly not on par with those in more developed countries. Further, differences may arise in such areas as valuation of properties and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions. Accordingly, less information may be available to investors. SEBI, established under the Securities and Exchange Board of India Act, 1992, has been accorded the statutory authority to oversee and supervise the Indian securities markets. Accordingly, the securities law and regulations in India are continuously evolving and the ability of SEBI to promulgate and enforce rules regulating market practices is uncertain and may negatively impact the PE Funds' investments.

ITEM 9 – DISCIPLINARY INFORMATION

SRS has no legal or disciplinary events to report that would be material to an Advisory Client's or prospective Advisory Client's evaluation of its advisory business or the integrity of its management.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described in Item 4 above, SRS Investment Management and SRS Private Investment Management are affiliated investment advisers each registered with the SEC. SRS Investment Management is the investment adviser for the Hedge Funds and the Special Opportunities Funds and SRS Private Investment Management is the investment adviser for the PE Funds. All supervised persons of each of the affiliated advisers are subject to the "SRS Investment Management, LLC and SRS Private Investment Management, LLC Compliance Manual and Code of Ethics."

Each of SRS Investment Management and SRS Private Investment Management may recommend the other affiliated adviser to a current or prospective Investor. However, neither adviser receives direct or indirect compensation for recommending the affiliated adviser. SRS Investment Management and SRS Private Investment Management are compensated solely through Management Fees paid by Investors in the Funds that each adviser respectfully manages.

Affiliates of SRS Investment Management and SRS Private Investment Management serve as the general partners of certain of the Funds and receive performance-based compensation in that

capacity. The Hedge General Partner serves as the general partner of the Domestic Fund and the Hedge Master Fund, and the PE Master Fund General Partner serves as the general partner of the PE Master Fund. SRS Special Opportunities GP II, LLC, and SRS Special Opportunities III GP, LLC, each serve as a general partner to one of the Special Opportunities Funds. Additionally, SRS Private Investments US GP, LLC serves as the general partner of the PE Domestic Feeder and SRS Private Investments GP, LLC serves as the general partner of the PE Offshore Feeder. Any persons acting on behalf of these general partners are subject to the supervision and control of SRS Investment Management (the “filing adviser” of Form ADV Part 1A) in connection with any investment advisory activities. In accordance with SEC guidance, each of these general partners is registered as an investment adviser in reliance on the Form ADV filed by SRS Investment Management.

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

Code of Ethics

SRS’s Code of Ethics (the “Code”) is designed to meet the requirements of Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). All SRS personnel (including control persons) are subject to the Code, deemed to be “access persons” (as defined in Rule 204A-1) and required to sign an acknowledgement, initially and on at least an annual basis, that they have received, read and agree to abide by the Code.

The Code sets forth a standard of business conduct that takes into account SRS’s status as a fiduciary and requires SRS personnel to place the interests of SRS’s Advisory Clients and Investors above their own interests. The Code requires SRS personnel to comply with applicable federal securities laws. Further, personnel are required to promptly bring violations of the Code to the attention of SRS’s Chief Compliance Officer (the “Chief Compliance Officer”).

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading. SRS personnel must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an employee or control person. In addition, personnel must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1. In addition, the Code addresses the protection of non-public information about the activities of the Funds and Investors.

Advisory Clients and prospective Advisory Clients may obtain a copy of the Code by contacting the Chief Compliance Officer, David Zales, at 212-520-7928 or by email at david.zales@srsfund.com.

Principal Transactions and Transactions Between Advisory Clients

Principal Transactions. SRS will not, directly or indirectly, while acting as principal for its own account, knowingly sell any security to, or purchase any security from, an Advisory Client (a “principal transaction”) without disclosing to the Advisory Client in writing prior to the completion of such transaction the capacity in which SRS is acting and obtaining the specific consent of the Advisory Client. SRS does not expect to engage in such principal transactions.

Cross Trades. There may be situations where it is advantageous to Advisory Client accounts to effect a securities transaction between two Advisory Clients for rebalancing or other purposes, otherwise known as a “cross trade.” In the event that a cross trade would be in the best interests of both Advisory Clients and permitted under the governing documents, SRS may effect the cross trade subject to the following guidelines: (i) such transaction shall be effected for cash consideration at the current market price of the particular securities and (ii) no brokerage commissions or transfer fees shall be paid to SRS in connection with any such transaction.

In such a case, SRS will have one of its prime brokers effect the transaction within the context of the market at a time that is fair to both Advisory Clients involved in the transaction. The prime broker’s commission will be borne equally by both Advisory Clients. All cross trades must be pre-cleared by the Chief Compliance Officer before the orders are executed.

SRS, its affiliates and/or its personnel may invest in the Funds. If SRS authorizes a transaction involving one or more Funds, SRS could be deemed to be acting as principal for its own account due to the ownership interest of SRS, its affiliates and/or its personnel in the Fund(s), thereby subjecting the proposed transaction to the transaction-by-transaction notice and consent requirements described above. Whether the notice and consent requirements apply to such transaction depends on the facts and circumstances. The Chief Compliance Officer will monitor all proposed transactions involving a Fund in which SRS, its affiliates and/or its personnel have ownership interests to determine if the notice and consent requirements described above apply.

SRS does not anticipate that it will conduct transactions between the PE Funds. However, to the extent that SRS decides to change this policy, it will generally follow the procedures set forth above, subject to applicable law.

Personal and Proprietary Trading

SRS and its members, employees and other affiliates in some instances may effect transactions for their personal accounts in the same securities purchased and sold for the accounts of Advisory Clients. This presents potential conflicts in that such person could make improper use of information regarding an Advisory Client’s portfolio holdings, future transactions or research paid for by the Advisory Clients. For example, an SRS employee could take for himself or herself an investment opportunity available to an Advisory Client.

In addition, SRS and its members, employees and other affiliates (the “SRS Parties”) may also invest directly in the Funds managed by SRS. It should be noted that in the discretion of SRS or the pertinent general partner, no Management Fee, Incentive Allocation, Carried Interest or Catch-Up Fee (as the case may be) will be charged to the SRS Parties. The fact that the SRS Parties have financial ownership interests in the Funds also creates a potential conflict in that it

could cause SRS to make different investment decisions than if such parties did not have such financial ownership interest.

SRS manages the potential conflicts of interest inherent in personal trading by rigorous enforcement of the Code. Specifically, SRS personnel are not allowed to trade individual stocks in their personal accounts. Furthermore, the Code requires SRS personnel to obtain prior written approval (pre-clearance) from the Chief Compliance Officer before engaging in personal investments in initial public offerings or other limited offerings (including investments in the Funds). SRS also maintains a “Restricted Securities” list, which includes securities that are under consideration for Advisory Clients, as well as certain securities owned by Advisory Clients. Generally, any security appearing on the Restricted Securities list will not be approved for personal trading. SRS personnel must also obtain prior written approval from the Chief Compliance Officer for any personal transaction in securities in which Advisory Clients trade, but that were previously acquired by the employee in a personal account. The Chief Compliance Officer may only approve a transaction requiring pre-clearance if he concludes that the transaction would comply with the provisions of the Code and is not likely to have any adverse economic impact on Advisory Clients.

As described above, SRS personnel are also subject to reporting of securities transactions for personal accounts. The Chief Compliance Officer reviews such reports to make sure each reporting person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

ITEM 12 – BROKERAGE PRACTICES

Selection of Broker-Dealers

The Hedge Funds and Special Opportunities Funds. Securities transactions are executed through broker-dealers selected by SRS in its sole discretion and without the consent of the Hedge Funds or the Special Opportunities Funds or Investors. In placing portfolio transactions, SRS will seek to obtain the best execution for the Hedge Funds and the Special Opportunities Funds, taking into account all pertinent factors, including, for example: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of the order and difficulty of execution; the financial strength, integrity and stability of the broker-dealer; the broker-dealer’s risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other broker-dealers satisfying SRS’s other selection criteria. SRS is not required to weigh any of these factors equally. Since commission rates in the United States are negotiable, SRS’s selection of broker-dealers on the basis of considerations that are not limited to applicable commission rates may at times result in the Hedge Funds or Special Opportunities Funds being charged higher transaction costs than they could otherwise obtain.

The PE Funds. As a general matter, in the case of the PE Funds, SRS invests in private transactions that are not executed on an exchange and does not utilize broker-dealers.

Soft Dollars

The term “soft dollars” refers to brokerage commissions generated from client securities transactions that are retained by the broker-dealer for the use of the investment manager that directed the transactions to the broker-dealer. Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to those investment managers that use soft dollars to obtain investment research and brokerage services. In order to qualify for the safe harbor, the investment research must provide assistance to the investment manager in its performance of its investment decision-making responsibilities. Brokerage services must relate to the execution, clearance and settlement of securities transactions in order to fall within the safe harbor.

SRS intends to use soft dollars generated by the Hedge Funds’ and/or the Special Opportunities Funds’ securities transactions to pay for research, products and services that fall within the Section 28(e) safe harbor. When SRS uses soft dollars, an Advisory Client may pay commissions, spreads or mark-ups to a broker-dealer in an amount greater than the amount another broker-dealer charges if SRS determines, in good faith, that the amount of commissions, spreads or mark-ups charged by such broker-dealer is reasonable in relation to the value of brokerage and research products or services provided by such broker-dealer. Any such research and/or other products or services obtained with soft dollars generated by an Advisory Client’s transactional activity may be used by SRS to service Advisory Clients other than the Advisory Client generating such soft dollars and would be a benefit to SRS in that SRS would not have to pay for or provide such research, services or other products itself.

The availability of soft dollars from certain broker-dealers presents SRS with significant conflicts of interest and may give incentives for SRS to disregard its obligations to Advisory Clients (including, without limitation, its best execution obligations) when directing orders. The receipt of information, products or services paid for with soft dollars is in addition to, and not in lieu of, the Management Fees and performance-based fees received by SRS and/or its affiliates, and such fees are not reduced as a consequence of the receipt of such products or services purchased with soft dollars.

During SRS’s last fiscal year, soft dollars were used to obtain the following:

- Research services - research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.
- Brokerage services - services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); software used to transmit orders; clearance and settlement in connection with a trade;

electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and electronic confirms or trade affirmations.

Referral of Investors

SRS may direct some Hedge Fund brokerage business to broker-dealers that refer prospective Investors to the Hedge Funds. Because such referrals, if any, are likely to benefit SRS but will provide an insignificant (if any) benefit to Investors, SRS will have a conflict of interest with the Funds when allocating brokerage business to a broker-dealer that has referred Investors to the Funds. To prevent brokerage commissions from being used to pay Investor referral fees, SRS will not allocate Fund brokerage business to a referring broker-dealer unless SRS determines in good faith that the commissions payable to such broker-dealer are reasonable in relation to those available from non-referring broker-dealers offering services of substantially equal value to the Funds.

Trade Allocation and Aggregation

SRS may at times determine that certain investments will be suitable for acquisition by an Advisory Client and by other accounts managed by SRS. If that occurs, and SRS is not able to acquire the desired aggregate amount of such investments on terms and conditions that SRS deems advisable, SRS will endeavor to allocate in good faith the limited amount of such investments acquired among the various accounts for which SRS considers the investments to be suitable. SRS may make such allocations among the accounts in any manner that it considers to be fair under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the investments acquired and the extent to which such investments are consistent with the investment policies and strategies of the various accounts involved.

The Special Opportunities Funds generally hold concentrated positions across a limited number of securities, some of which are also held in the Hedge Fund accounts. As such, due to the differing investment policies and strategies of the various client accounts involved, the Special Opportunities Funds may buy/sell these securities at different quantities and prices than the Hedge Funds.

SRS may aggregate purchase and sale orders of investments held by a Fund with similar orders being made simultaneously for other accounts or entities if, in SRS's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Fund based on an evaluation that the Fund will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for a Fund will be affected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of investments purchased or sold. In such event, the average price of all investments purchased or sold in such transactions may be determined, at SRS's sole discretion, and the Fund may be charged or credited, as the case may be, with the average transaction price.

Trade Errors

SRS has internal controls in place to seek to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, SRS will use reasonable efforts to correct the error. If the error cannot be corrected, SRS does not intend to make any adjustment, regardless of whether the error works to the benefit or detriment of the Fund, unless the error was due to SRS' fraud, gross negligence, or willful misconduct. SRS will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

ITEM 13 – REVIEW OF ACCOUNTS

Fund portfolios are under continuous review by Karthik R. Sarma (the "Portfolio Manager"). The Portfolio Manager reviews, at least on a weekly basis, each Fund's portfolio to assure conformity with the Fund's investment objectives and guidelines. The Chief Financial Officer is responsible for all financial reporting and performance analysis, the results of which are reviewed by the Portfolio Manager.

For the pertinent Fund, each Investor will receive annual financial statements that have been audited by an independent certified public accounting firm. . Investors in domestic Funds will receive a copy of their Schedule K-1. Investors in the Hedge Funds and Special Opportunities Funds will also receive monthly unaudited performance reports.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

SRS does not presently maintain any arrangements pursuant to which it compensates third parties for Advisory Client referrals; however, SRS may enter into such arrangements in the future. Such arrangements will be made in compliance with Rule 206(4)-3 under the Advisers Act, as well as relevant SEC guidance.

SRS may sell Hedge Fund shares through broker-dealers, placement agents and other persons and pay a referral fee or commission in connection with such activities, including ongoing payments, all at SRS's own expense. SRS does not presently have such arrangements. In certain cases, SRS reserves the right to deduct a percentage of the amount invested by an Investor to pay the sales fees or charges, on a fully disclosed basis, to a broker-dealer, placement agent or other person based upon the capital contribution of the Investor introduced to the Fund by such party. Any such sales fees or charges would be assessed against the referred Investor and would reduce the amount actually invested by the Investor in the Fund.

ITEM 15 – CUSTODY

SRS and certain affiliates are deemed to have custody of Fund assets, by virtue of their status as investment manager or general partner of certain of the Funds. Investors do not receive account statements from the custodian; rather, as noted below, the Funds are subject to an annual audit and the audited financial statements are distributed to each Investor.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, SRS reasonably believes that all Investors will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of each Fund's fiscal year. Investors should carefully review the audited financial statements upon receipt.

ITEM 16 – INVESTMENT DISCRETION

Subject to the policies and controls of the pertinent Fund board of directors or general partner, SRS has discretionary authority to manage securities accounts on behalf of the Funds, including purchase and sale decisions, similar investment decisions and selection of broker-dealers for the execution of transactions. Each Fund's investment strategy is set forth in detail in the Fund's CPPM. Investors do not have the ability to impose limitations on SRS's discretionary authority.

ITEM 17 – VOTING CLIENT SECURITIES

SRS understands and appreciates the importance of proxy voting. To the extent SRS has discretion to vote proxies on behalf of Advisory Clients, SRS will vote any such proxies in the best interests of the pertinent Advisory Client and in accordance with set compliance procedures.

Prior to voting any proxies, the Chief Compliance Officer will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination as to whether the conflict is material or not. If no material conflict is identified pursuant to SRS's set procedures, the Chief Compliance Officer will make a decision on how to vote the proxy in question. If it is determined, however, that a conflict of interest is material, one or more methods may be used to resolve the conflict, including (i) disclosing the conflict to the Advisory Client and obtaining its consent before voting, (ii) engaging a third party to recommend a vote with respect to the proxy or (iii) such other method as is deemed appropriate under the circumstances.

Any proxies actually received by SRS will be provided to the Chief Compliance Officer. The Chief Compliance Officer will ensure delivery of the proxy, in accordance with instructions related to such proxy, in a timely and appropriate manner.

Clients may request a copy of SRS's proxy voting policy and procedures, as well as applicable proxy voting records, by contacting David Zales at 212-520-7928 or by email at david.zales@srsfund.com.

ITEM 18 – FINANCIAL INFORMATION

SRS is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Advisory Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.

ⁱ It should be noted that the Incentive Allocation payable to the Hedge General Partner is generally payable at the Master Fund level, in the case of the Master Hedge Fund.