



CARTICA MANAGEMENT, LLC

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This Brochure provides information about the qualifications and business practices of Cartica Management, LLC. If you have any questions about the contents of this Brochure, please contact Letti de Little, Chief Compliance Officer, at ldelittle@cartica.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cartica Management, LLC, also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

The Material Changes section of this Brochure will be updated annually when material changes occur since our last annual update.

Summary of Material Changes since the Last Annual Update

The date of our last annual updating amendment was March 29, 2016.

Assets under Management. Item 4 has been revised to reflect a change in the Adviser's (as defined below) assets under management.

Risk Factors. The risk factors in Item 8 have been updated.

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Item 4 Advisory Business

Cartica Management, LLC (the “Adviser”) is a Delaware limited liability company that has been in the investment management business since 2009. The Adviser is owned directly or indirectly in equal parts by Teresa C. Barger and Steven J. Quamme.

The Adviser provides investment supervisory services to private investment funds that are offered exclusively to sophisticated investors, and may provide investment supervisory services for separately managed accounts for sophisticated institutional and high net worth investors. Each of these funds has the same strategy of investing in companies located or domiciled in certain emerging markets (“EM”) and in companies that might benefit from improvements in corporate governance. The private investment funds managed by the Adviser generally are each referred to as a “Fund” and collectively as the “Funds.” The Adviser has complete discretion with respect to all investment decisions made for the Funds, selection of brokers, dealers and other counterparties for such transactions, and the amount of commissions or other compensation to be paid by the Funds. The Adviser provides investment advisory and management services to the Funds based on the particular investment objectives and strategies described in the applicable Fund’s offering documents, including identification of investments and potential investments, recommendations concerning investments and potential investments, supervision of the preparation and review of investment-related documents and monitoring of portfolio performance.

The Adviser has imposed certain investment guidelines with respect to the at cost investment amount. With respect to any Fund, the Adviser generally may not: (1) invest more than 20% at cost of the Fund’s assets under management (“AUM”) in any one issuer, determined at the time of investment; (2) invest more than 10% at cost of the Fund’s AUM in certain investments that the Fund or its general partner, as applicable, determines are illiquid and lack a readily ascertainable market value, determined at the time of investment; or (3) invest in any company unless, at the time of investment, the company is an emerging market country (as determined by the organizational documents of the Fund).

The Adviser may in its discretion manage other funds or separately managed accounts with different objectives than those of the Funds. These services may be provided on a discretionary or non-discretionary basis, as set forth in a written investment advisory agreement.

As of December 31, 2016, the Adviser had approximately \$2,417,919,344 of assets under management, of which 100% were managed on a discretionary basis. As of December 31, 2016, the Adviser did not manage any assets on a non-discretionary basis.

Item 5 Fees and Compensation

The fees and expenses associated with an investment in the Funds are described in detail in each

Fund's offering documents. In the future the Adviser may, in its discretion, manage other funds or accounts with higher or lower fees, different fee structures, and different expense payment arrangements, than the Funds. The fees charged for managing separately managed accounts are negotiable and will be described in each client's investment advisory agreement.

Management Fee

The Adviser and/or its related persons who provide services to the Funds receive management fees based on a certain percentage of the Fund's net assets. The standard management fee for each Fund is calculated and paid as described in the Fund's offering documents. Management fees are negotiable, and individual management fee arrangements may vary depending on a variety of factors (including the assets under management of the applicable investor).

Incentive Allocation

Investors in the Funds generally are subject to an incentive allocation. See Item 6 below for information with respect to incentive allocations.

Fees Charged to Employees

Due to the Adviser's special relationship with its employees, the Adviser generally charges reduced or no fees or incentive allocations for providing investment management services to them (including as investors in the Funds).

Redemptions and Termination

Investors in the Funds may withdraw or redeem their interest in the Funds in accordance with the applicable terms set forth in the respective Fund's offering documents and other Fund documentation. Under certain circumstances, investors may pay a withdrawal or redemption fee to the Fund if the investor withdraws or redeems within a certain period of time.

Generally, the Adviser's investment services are terminable by either the Adviser or the applicable Fund. The terms of such termination, including provisions with respect to notice and fees earned or refunded, are described in the respective Fund's offering documents or the applicable advisory agreement.

Other Fees and Expenses

The Adviser's and related persons' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the respective Fund.

Each Fund is responsible for all direct expenses related to its respective operations and activities,

including all expenses associated with its investment portfolio. Funds may incur certain charges imposed by custodians, counsel, independent accountants, auditors administrators, brokers and other professionals and consultants (including the fees of independent directors), the expenses of the advisory committee of the Funds (the “Advisory Committee”), the Fund’s annual meeting and Board meetings, the fees of directors of the Funds (or, if applicable, the general partner of a Fund) who are unaffiliated with the Adviser, and any taxes, fees or other governmental charges levied against the Fund, expenses incurred in connection with the incurrence of indebtedness, custodial fees, bank service fees, professional liability insurance premiums (including directors and officers insurance) and any extraordinary expenses of the Fund, including but not limited to litigation and indemnification expenses (subject to limitations set forth in the Funds’ organizational documents), and other expenses as set forth in the Funds’ organizational documents. The Funds also will pay the out-of-pocket costs associated with making and realizing investments, including but not limited to research services (including Bloomberg subscription expenses), information services (including fund accounting systems), trading and order management, travel, communications, investment-related fees and expenses such as bookkeeping and investment banking expenses, brokerage commissions, filing and registration fees, SEC, Hart-Scott-Rodino Act and other reporting and filing expenses and the costs incurred by the general partners of the Funds, the Adviser, the Funds and their affiliates in connection with specific shareholder initiatives (such as the costs of calling shareholder meetings, proxy solicitation fees and costs, and professional consulting fees), any and all expenses incurred in connection with the preparation and delivery of the Funds’ financial statements, reports, tax returns, and K-1’s (or other similar schedules), expenses relating to the valuation of the Funds’ assets, and other expenses incurred in connection with the evaluation, acquisition, monitoring, or disposition of investments whether or not the investments are consummated. The Funds may also reimburse the general partners of the Funds or the Adviser for audit, tax and other filing and registration expenses. If a Fund invests through a master Fund, the Fund will bear a *pro rata* share of the expenses of such master Fund.

Each Fund pays its expenses directly or reimburses the Adviser or its affiliates, as instructed, for expenses paid on its behalf. The direct expenses incurred by each Fund vary depending on the nature of the operations and activities of such entity and are described in detail in each Fund’s offering documents.

The Adviser will pay compensation costs of its employees, rent and other overhead expenses of the Adviser.

The Funds incur brokerage and other transaction related costs. Item 12 describes the factors that the Adviser may consider in selecting broker-dealers to execute Funds’ transactions and determining the reasonableness of their compensation (e.g., commissions).

Valuation

Each Fund's net asset value, as of any date of determination, is the value of its assets minus its liabilities as determined by the Adviser in accordance with the Fund's governing documents and generally accepted accounting principles, but is not reduced by any incentive allocation accrued but not yet earned. The Adviser is responsible for determining the fair market value of each Fund's investments. In doing so, the Adviser has considerable discretion in valuing certain privately-placed and less liquid investment instruments. The Adviser has adopted pricing methodologies for the valuation of the Funds' investment instruments as described in each Fund's governing documents. Securities held by a Fund that are traded on national securities exchanges are generally valued at the last reported sales price on the date of determination or, if no sales occurred on such day, at the mean between the bid and asked prices on such day. The principal exchange price may vary from the composite price provided by a third party pricing service. In these rare instances, the composite price, comprised of publicly traded security prices across multiple exchanges, will be used to value the Securities. Investments in securities which are not listed on a national securities exchange are generally valued at the last sales price on the date of determination, or, if no sales occurred on such day, at the "bid" price at the close of business on such day if held long and if sold short at the "asked" price at the close of business on such day. All other securities and all property other than securities will be valued at fair value as reasonably determined by the general partner or board of directors of the relevant Fund or a designee. Securities or other property that is subject to any restriction will be valued by the general partner or its designee taking into account such restriction.

Valuation determinations will affect a Fund's performance reporting and fee and incentive allocation calculations. The Adviser generally will face a conflict of interest involving valuation of investment instruments because these values generally will affect its compensation. The Funds may retain third parties to verify the Adviser's methodology for determining fair market values and conduct independent price verification.

No supervised person receives compensation for the sale of securities.

Item 6 Performance-Based Fees and Side-By-Side Management

An affiliate of the Adviser may receive performance-based incentive allocations with respect to the Funds. Incentive allocations, if applicable to an investor's investment, are allocated from the applicable account at the end of each calendar year and on any interim withdrawal of capital by, or other distribution of funds to, an investor. The standard terms governing the calculation and use of the incentive allocation are described in detail in the offering documents applicable to each Fund. Incentive allocations are negotiable, and individual incentive allocation arrangements may vary depending on a variety of factors (including assets under management of the applicable investor).

Some of the Adviser's related persons are entitled to receive, directly or indirectly, incentive

allocations from the Funds, which are based on a share of gains in the assets of such Fund. Such incentive allocations may create an incentive for the Adviser and its supervised persons to make investments on behalf of the Funds that may be riskier or more speculative than would be the case in the absence of such distributions.

The terms of the management fees, incentive allocations and other economic terms may differ from Fund to Fund. The potential for the Adviser and its affiliates to receive different levels of compensation from its Funds creates a potential conflict of interest with respect to the allocation of investment opportunities, because the Adviser and its affiliates may have an incentive to allocate investment opportunities in favor of the Fund(s) that has a more favorable fee structure for the Adviser. To mitigate this potential conflict of interest, the Adviser has implemented processes and controls designed to ensure that all Funds are treated fairly and equitably, and to prevent inappropriate allocations. The allocation of investment opportunities among Funds is made by the Adviser in accordance with the organizational documents of the applicable Funds.

Fund investors should review the respective Fund's offering documents for detailed information with respect to incentive allocations.

Item 7 Types of Clients

The Adviser provides investment advisory services to the Funds, and may in the future provide services to other private investment funds, individuals, and pension and profit sharing plans.

Details concerning applicable fees, investment minimum amounts and suitability criteria are set forth in the respective Fund's offering documents.

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

Method of Analysis

The Adviser's security analysis includes fundamental and technical research. Research information includes, but is not limited to, financial news and data providers, inspections of corporate activities, road shows and other meetings with company representatives, third-party research materials, annual reports, prospectuses, filings with the local regulatory authorities, and company press releases.

The Adviser's research team conducts continual reviews of market and other conditions within emerging markets. Using the results of such reviews, the Adviser selects those target markets and sectors that it judges to be more favorable environments to find prospective investments. The Adviser maintains a short list of focus countries, the composition of which will change from time to time as market conditions vary. Notwithstanding the maintenance of the Adviser's focus list of

countries, the Adviser may frequently identify investment ideas in non-target markets. Such ideas may arise as a natural spill-over of the Adviser's contacts throughout the emerging markets, the broad scope of the Adviser's network, and the Adviser team's sector research. Any investment idea consistent with the Adviser's strategy may be considered, regardless of whether the investment originates from a current target market.

Investment Strategies

The Adviser invests in companies in certain emerging markets that Adviser believes might benefit from improvements in corporate governance.

While an investment may be sold at any time, the Adviser anticipates holding investments for at least twelve months.

The Adviser's investment strategy is to identify value investment opportunities by combining a top-down country research approach with a bottom-up stock selection approach that considers the corporate governance actions the Adviser's team expects to recommend to restore or enhance value in those companies in which the Funds invest. The Adviser's initial analysis, which deepens over the course of an investment, consists of two parts: (1) fundamental financial analysis; and (2) environmental and social sustainability, corporate governance scrutiny and value addition.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

Investments in the strategies managed by the Adviser entail significant risks and are suitable only for sophisticated individuals and institutions for whom such investments do not represent a complete investment program and who fully understand and are capable of bearing the risks of such investments. Prospective investors and clients should carefully consider the following risk factors and refer to the applicable Fund's offering documents, which may set forth a more detailed discussion of the risks involved in investing in such Fund. Risks include, but are not limited to, the following:

General Risks

No Assurance of Investment Return

An investment in the Funds requires a long-term commitment with no certainty of return. The Funds' task of identifying and evaluating investment opportunities, managing such investments and realizing a significant return for investors is difficult. There is no

assurance that the Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment. Any past performance of persons or investment entities associated with the Funds' investment adviser and its affiliates is not necessarily indicative of the Funds' future results and may not be construed as an indication of future results of an investment in the Funds. The equity investments that the Funds make and the investment strategy that the Funds pursue are different in significant respects from the investments previously made by certain members of the Funds' investment adviser and the investment strategies they have previously pursued. There can be no assurance that projected or targeted returns for the Funds will be achieved.

“Master-Feeder” Fund Structure

One or more of the Funds invest in whole or in part through a “master-feeder” structure. The master-feeder fund structure presents certain risks to investors. A feeder fund will not own its portfolio investments directly but will be a direct or indirect investor in the applicable master fund, the portfolio of which is managed by the Funds' investment adviser. The feeder funds will not control any master fund. A master fund incurs applicable expenses and liabilities that are paid prior to making distributions to the feeder funds. A master fund might be a single entity and its creditors might enforce claims against all assets of such master fund. In addition, to the extent the feeder funds' assets are invested in a master fund, certain conflicts of interest may exist due to different tax considerations applicable to the feeder funds.

Limited Liquidity

An investment in a Fund provides limited liquidity. Fund interests are not freely transferable and may be subject to a lock-up period. Withdrawals or redemptions generally require at least 90 days' prior written notice and may be suspended, in whole or in part, when there exists a state of affairs where disposal of a Fund's assets, or the determination of the net asset value of the Fund, would not be reasonably practicable, would be seriously prejudicial to the non-withdrawing or non-redeeming investors or would not be in the best interests of the Fund as a whole. In addition, a Fund or, if applicable, its general partner, may suspend payment of withdrawal or redemption proceeds in certain circumstances, including if the Fund or its general partner, as applicable, deems it necessary to do so to comply with anti-money laundering laws and regulations applicable to the Fund, its general partner, the Adviser or any of the Fund's service providers.

The Funds' Investing Strategy; Risks of the Funds' Investment Strategy

The success of the Funds' investing approach may require, among other things: (i) that the Adviser properly identify companies whose equity prices can be improved through improvements in corporate governance; (ii) a positive response by majority shareholders and management to Adviser's relational investing approach and engagement on corporate governance issues; (iii) constructive cooperation among majority shareholders, other shareholders, management and others to successfully implement the corporate governance improvements sought by the Funds; and (iv) a positive response by the markets to any actions taken by portfolio companies to improve their corporate governance in response to the Adviser's engagement. None of the foregoing elements can be guaranteed to succeed. Majority shareholders, other shareholders, management and various other stakeholders may take steps to resist governance improvements which may have the effect of eroding, rather than enhancing, shareholder value.

Long-Term Investment and Illiquid Securities

Capital and profits, if any, from an investment of the Funds generally will only be realized upon the partial or complete disposition of that investment. While an investment may be sold at any time, the Adviser anticipates holding investments for at least twelve months. In addition, in some cases the Funds may be prohibited by contract from selling certain securities for a period of time. The Funds may invest in securities for which there is no public market at the time of acquisition by the Funds. In addition, organized securities markets in many emerging markets are still in an early stage of development, and there can be no assurance that secondary markets will develop to the point that they provide the appropriate level of liquidity for the Funds' investments. Reduced secondary market liquidity may impede the Funds', the general partners' or the Adviser's ability to value the Funds' investments or to dispose of them at desirable prices.

Concentration of Interests; Withdrawal or Redemption by Significant Investor

Interests in the Funds may be held by a relatively small number of investors. As a result, it may be possible for a significant investor or a small group of investors to heavily influence or control any vote of investors. In addition, if one or more significant investors withdraws or redeems their investment in the Funds, the Funds' liquidity may be adversely affected, and the Funds may not be able to replace the withdrawn or redeemed capital, which may affect the Funds' and the Adviser's ability to locate investments that are consistent with the Funds' investment strategy or criteria. In order to provide sufficient funds to pay withdrawals, the Funds might be required to liquidate positions at an inappropriate time or on unfavorable terms, and the liquidation of a portion of a position

may have an adverse effect on the market price of the remaining position. Substantial withdrawals may impair the ability of the Funds to pursue their investment strategies due to the reduced amounts of assets under management. Withdrawals may impair the Funds' ability to exert influence over portfolio companies or effectively exercise shareholder rights, or the Adviser's or general partner's ability to retain key investment personnel. In certain circumstances, the withdrawal or redemption by one or more large investors in the Funds could trigger withdrawal rights for other investors in the Funds, which may depress the value of the Funds' investments and have other adverse effects on investors that wish to remain invested in the Funds.

Minority and Non-Controlling Investments

The Funds intend to invest in minority, non-controlling positions of portfolio companies. As a result, the Funds typically will have a limited ability to exert significant influence over its portfolio companies. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. Because the Funds generally will hold non-controlling interests in portfolio companies, the Funds will have a limited ability to create additional value in portfolio companies by effecting changes in the strategy and operations of these companies or to adequately protect its positions in such portfolio companies.

Availability of Suitable Investments

There can be no assurance that investments will be available for the Funds' investment activities or that available investments will meet the Funds' investment criteria. Changes in various factors (including, among others, general economic conditions, general political conditions, securities markets conditions, tax burdens or domestic or foreign instability) may also adversely affect the availability of suitable and attractive investment opportunities. Accordingly, no assurance can be given that the Funds will be able to locate suitable investment opportunities in which to deploy the Funds' capital. The activity of identifying, completing and successfully disposing of attractive strategic minority investments is competitive and involves a high degree of uncertainty. Furthermore, the Adviser cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio of companies. Purchasers of interests or shares will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Funds and, accordingly, will be dependent upon the judgment and ability of the Funds and the Adviser to identify suitable investments. The Funds may make investments that the Funds' general partners or board of directors ultimately determines would not benefit from the application

of the investing approach, and thus there can be no assurance that the Adviser will implement the Funds' intended investment strategy with respect to any portfolio investment.

Headline; Reputational and Publicity Risk

The Funds expect to take significant minority positions in a select number of publicly-traded companies. The Funds and the Adviser may not always be successful in effecting corporate governance changes in such companies. As a result, the Funds may become associated publicly, in newspaper headlines or elsewhere, with companies that continue to have poor corporate governance or that permit related-party transactions or other conflict of interest transactions that may be the subject of negative publicity. Because of a significant holding in such a company, the Funds or the Adviser may also become the subject of negative publicity. Any such negative publicity could adversely affect the Funds' ability to secure additional investment opportunities, work effectively with new or existing portfolio companies or attract new investors.

Dependence on General Partners, Adviser, Key Principals and other Personnel

The success of the Funds will be highly dependent on the expertise of the general partners of the Funds, the Adviser, its key principals and other personnel. Subjective decisions made by such parties on behalf of the Funds may cause the Funds to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Moreover, the loss of one or more key principals or other personnel of a general partner or the Adviser could have a material adverse effect on the performance of the Funds. Certain of the Funds' investments may be structured on terms negotiated by the general partner of a Fund, the Adviser or its key principals. If a general partner of a Fund, the Adviser or the key principal involved with a particular investment resigns or is otherwise no longer affiliated with the Funds, such investment might be terminated, which may have an adverse impact on the Funds' investment performance. In addition, some of these persons may devote substantial amounts of business time to other funds managed by the Adviser or business activities of affiliates of the Adviser.

Unspecified Investments; Reliance on the General Partners and the Adviser; Modification of Investment Approach

A purchaser of interests or shares must rely upon the ability of the general partners of the Funds or the Adviser to identify investments consistent with the Funds' investment objectives and policies. The general partners and the Adviser will have exclusive responsibility for the Funds' activities, and, other than as may be set forth herein and in the

Funds' offering documents or agreements, investors will not be able to make investment decisions or any other decisions, in the management of the Funds. Investors will be relying on the ability of the Adviser to select the investments to be made using the capital available to the Funds. While the Adviser intends generally to apply the investment strategy and investment process described herein to the Funds' portfolio investments, the Funds may pursue a wide variety of public equity investment strategies and may modify or depart from their investment process, approach, techniques and procedures as they determine appropriate to accomplish the Funds' investment objectives. In addition, the Funds may deviate from the primary strategy described herein in limited situations where the Adviser believes such deviation is necessary to preserve existing or remaining value in the Funds' portfolio.

Mandatory Withdrawals

Except as set forth in the organizational document of a Fund, the general partner or board of directors of a Fund may cause the redemption or withdrawal of all or any part of the shares or interests of any investor from the Fund at any time. In such cases the investor could receive substantially less than the amount of its capital contribution.

Distributions In Kind

A Fund may, in the discretion of the Fund's general partner or board of directors, distribute to investors securities and other Fund assets in kind from the investments attributable to the investors' interests or shares. These securities and assets may be illiquid, and there can be no assurance that investors will be able to dispose of such investments or that the value of such investments, as determined by the Funds for the purpose of the calculations of distributions, ultimately will be realized. Occasionally, an investor's ability to receive distributions in kind may be limited or prohibited by the Employee Retirement Income Security Act of 1974.

Hedging Policies/Risks

The Funds may, directly or indirectly, in some circumstances employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, currency exchange and other factors (including risks associated with the use of derivative instruments). While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates and other factors may result in a poorer overall performance for the Funds than if they had not entered into such hedging transactions.

Risks Associated with the Use of an Index

The incentive allocation paid to an affiliate of the Adviser will be tied to the MSCI EM Index (the “Index”), as the case may be. Consequently, the Funds may have an incentive to take on different or greater risk in order to surpass the Index and ensure payment of the incentive allocation. The Index is a float-adjusted index that takes into account the currencies of the approximately 24 emerging markets. Nonetheless, there is no guarantee the composition of the Fund will be correlated to the Index, nor will the Index be sufficiently correlated to the returns of the Funds’ investments to provide a proper form of comparison, which could lead to payment of a disproportionately larger incentive allocation at times.

Risks Arising from Provision of Managerial Assistance

The Funds may designate one or more directors to serve on the board of directors of a portfolio company to which it obtains such rights. The designation of directors and other measures of attempting to exert influence over a portfolio company could expose the assets of the Funds to claims by a portfolio company, its security holders and its creditors. The designation of directors may also subject the Funds to restrictions on buying and selling securities of a portfolio company or other restrictions from time to time.

Misconduct of Employees and of Third Party Service Providers

Misconduct by employees of the Funds, the Adviser or by third party service providers could cause significant losses to the Funds, and may trigger redemption or withdrawal rights for investors in the Funds. Employee misconduct may include binding the Funds to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Funds’ business prospects or future marketing activities.

Funds Borrowings and Portfolio Company Leverage

The Funds may incur short-term liabilities for cash management purposes. The Funds could incur expenses and other costs in connection with such borrowing. In addition, the Funds’ portfolio companies may have capital structures with significant leverage.

Consequently the leveraged capital structure of such portfolio companies will increase their exposure to adverse factors such as rising interest rates, downturns in the economy or deterioration in the business of a portfolio company or its industry, and may impair such companies' ability to meet their debt obligations.

Diversification; Concentration

The Funds' portfolios could become significantly concentrated in any one issuer, industry, sector, country or geographic region, and such concentration of risk may increase any losses suffered by the Funds. This limited diversity could expose the Funds to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in such industry, sector, country or geographic region.

Size and Complexity of Portfolio Companies

The Funds generally invests in small and middle capitalization companies. As a result of the size and complexity of such companies, the Adviser may have greater difficulty implementing its investment strategy with respect to these types of investments than would be the case with other investments. Any difficulty in implementing this strategy may negatively impact the ability of the Adviser to effectively select, monitor and exit investments.

Investment in Undervalued Securities

One of the primary objectives of the Funds will be to invest in the securities of underperforming companies. The identification of investment opportunities in the securities of underperforming companies is a difficult task, and there can be no assurance that such investment opportunities will be successfully recognized or acquired. While investments in the securities of underperforming companies offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds' investments may not adequately compensate investors for the business and financial risks assumed. A prospective investor should be aware that it may lose all or part of its investment in the Funds because the Funds may be forced to sell, at a substantial loss, the securities of underperforming companies that have not achieved projected value. In addition, the Funds may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' assets would be committed to the securities purchased, thus possibly preventing the Funds from investing in other opportunities.

Risk Arbitrage

Some portfolio companies in which the Funds invest may be the subject of mergers, takeovers, bankruptcies, reorganizations, spin-offs, or other special transactions. Substantial transaction failure risks are involved in these situations. Certain transactions are dependent on one or more factors to become effective, such as market conditions, shareholder approval, regulatory and other factors. No assurance can be given that the investments in such portfolio companies or proposed transactions will result in profitable investments for the Funds or that the Funds will not incur substantial losses as a result of such investments.

Trading Errors

Over the course of carrying out activities on behalf of the Funds, the Adviser may make errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment instrument at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment instrument (and vice versa). Unless otherwise required under the applicable Fund organizational documents or the Adviser determines otherwise, the Adviser will treat all trading errors, whether it results in a loss or a gain, as made on behalf of the account of the applicable Fund.

Risks Relating to Investments in Emerging Markets

Global Economic Conditions

Various sectors of the global financial markets may experience extended periods of adverse conditions. These conditions may result in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These difficult global market conditions may adversely affect the market values of equity and other financial assets. These or similar types of adverse conditions could have a material effect on general economic conditions, consumer and business confidence and market liquidity and may adversely affect the Funds.

Emerging Market Investments

The Funds' portfolios will be invested in securities of companies domiciled in or having substantial business activities in emerging markets. Investments in emerging markets pose currency exchange risks (including blockage, devaluation and non-exchangeability) as well as a range of other potential risks which could include, depending on the country involved,

expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding emerging markets issuers and emerging market companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of United States companies. Further, emerging market securities markets may not be as liquid as developed markets securities. Transaction costs of investing in emerging markets are generally higher than in established markets. Higher costs result because of the cost of converting a non-U.S. currency to dollars, the payment of fixed brokerage commissions on some emerging market exchanges and the imposition of transfer taxes or transaction charges by emerging markets exchanges. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in established countries. The Funds might have greater difficulty taking legal action with respect to the Funds and their investments in emerging market courts. Emerging markets may also have different clearance and settlement procedures, which in some markets have at times failed to keep pace with the volume of transactions. This may result in substantial delays and settlement failures that could adversely affect the Funds' performance.

Political Risks

The political systems of many countries in the emerging markets have been undergoing a variety of transitions to more representative forms of government. The developing political systems of emerging markets countries are susceptible to civil and ethnic unrest and wars, popular dissatisfaction with privatization efforts, abrupt changes in political and economic power, and changes in government institutions and policies, any of which could adversely affect private investors. The process of political development is ongoing, and investors should bear in mind that the final outcome is unpredictable.

Actions in the future of one or more of the governments of the countries in the emerging markets could have a significant effect on the economy of such country, which could in turn adversely affect private sector companies, market conditions, and prices and yields of securities in the Funds' portfolios. Political and economic instability in emerging markets could adversely affect the Funds' investments. Economic or diplomatic sanctions may be in place, or may be imposed in or with respect to, certain countries in which the Funds invest or in which portfolio companies do business, which may limit the liquidity of the affected investments or negatively impact the value of the Funds' investments. The Funds may be subject to the risk of possibility of expropriation or confiscatory taxation with respect to investments in certain countries. Restrictions imposed or actions taken by foreign governments could include exchange controls, seizure or nationalization of foreign deposits or securities accounts and adoption of other governmental restrictions that could adversely affect the prices of securities held by the Funds or the ability to repatriate profits.

on investments or even the capital invested, which could adversely impact the Funds. An investment in the Funds is speculative and involves the potential loss by an investor of the entire amount invested in the Funds. Despite the risks involved, the Funds do not intend to obtain political risk insurance.

Economic Risks

The economies of the countries in certain emerging markets are experiencing a transition from central planning to market systems. The extent of the success of economic reform is difficult to evaluate. Information relating to these economies is often incomplete, contradictory, or absent. Abrupt changes of policy with regard to taxation, the governments' fiscal and monetary policies, currency repatriation, and other economic regulations are also possible, including expropriation, nationalization, confiscation of assets, or changes in legislation regarding the permissible share of foreign ownership of local enterprises. Such changes could have an adverse effect on the Funds' investments.

Many businesses in emerging markets have only a very recent history of operating within a market-oriented economy. Relative to companies operating in more highly developed economies, companies in emerging markets are characterized by a lack of (i) experienced management, (ii) modern technology, and (iii) a sufficient capital base with which to develop and expand their operations as the countries in emerging markets attempt to move toward a more market-oriented economy.

Legal / Regulatory Risk; Securities Market Regulation

Countries in the emerging markets often lack a fully developed legal system and the body of commercial law and practice normally found in countries with more sophisticated market economies. Local laws affecting foreign investment and business continue to evolve, with respect to substance as well as interpretation - at times in an uncertain and even arbitrary manner which may not coincide with accepted practices in developed countries. Laws and regulations, in particular those concerning foreign investment and taxation, may change quickly and unpredictably. Inconsistencies and discrepancies among the vast number of local, regional, and national laws; the lack of judicial or legislative guidance on unclear or conflicting laws; and broad discretion on the part of government authorities implementing the laws all produce additional legal uncertainties. There can be no assurance that the Funds will be able to operate in a stable regulatory environment. The burden of complying with conflicting and capricious laws may have a material adverse impact on the operations of the Funds.

Even where substantial revisions have been made to commercial laws in emerging market

countries, the judicial and administrative procedures have not always been efficient. Courts in emerging markets lack experience in commercial dispute resolution, and many of the procedural remedies for enforcement and protection of legal rights typically found in more developed jurisdictions are not available in such countries. The extent to which local parties and entities, including local governmental agencies, will recognize the contractual and other rights of the parties with which they deal is uncertain. The Funds may therefore be unable to protect and enforce its rights against local governmental and private entities. The Funds may also encounter difficulties enforcing judgments of foreign courts in emerging markets, or courts of emerging markets in foreign jurisdictions. Further situations may arise in which legal actions are pursued in multiple jurisdictions.

Due to differing regulations, public disclosure and reporting requirements, accounting, auditing and financial reporting standards, government supervision and regulation of securities exchanges, brokers, and issuers may be less rigorous, and less information about an issuer may be available, than in developed markets. As a result, market prices for securities may be subject to manipulation to a greater extent than in developed markets.

The securities markets in many of the emerging markets in which the Funds invest may be in the early stages of development and government supervision and regulation of the securities markets may be significantly less robust than in developed markets. As a result, the risks of fraudulent market practices are higher than those in more highly regulated markets. In addition, regulatory controls and corporate governance of companies in emerging markets confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited. No assurance can be given that regulations addressing such risks will be adopted or, if adopted, will be effectively implemented or enforced.

Litigation Risks

The Funds have in the past and may in the future be involved in disputes or litigation with portfolio companies in which the Funds invest, investors or potential investors in such companies, management of such companies, service providers to the Funds, investors in the Funds, regulators or other parties. The outcome of disputes or litigation relating to the Funds may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Adviser's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. The legal

expenses, settlements costs, penalties and damages relating to such disputes and litigation may be substantial and may adversely impact the Funds' financial condition or operations, regardless of whether the Funds obtain a successful outcome. Disputes and litigation may also result in reputational harm to the Funds, the general partners of the Funds, the Adviser and related persons, even if an underlying claim against the Funds is without merit.

Market Risks; Illiquidity; Volatility

The securities markets in emerging market countries are generally characterized by a small number of issuers, heavy concentration of trading in a few equity securities of domestic issuers and/or in a few debt securities issued by the respective ministry of finance or other governmental agencies of such emerging market country. Trading may be limited to the over-the-counter market in the cases of certain securities and, in many cases, may be susceptible to being influenced by large investors trading significant blocks of securities.

Emerging markets are more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses for the Funds.

Costs of Emerging Markets Investments

Trading and trading-related costs, such as bid-offer spreads, commissions and price sensitivity to trading volume, in emerging markets are generally higher as compared to such costs in developed markets.

Investment Controls

Restrictions or controls may at times limit or preclude foreign investment in certain emerging markets and increase the costs and expenses of the Funds. Certain emerging markets require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by those domiciled in such countries and/or impose additional taxes on foreign investors. Certain emerging markets may also restrict investment opportunities in issuers in industries deemed important to national interests. Investments in emerging markets may require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if a deterioration occurs in an emerging market country's balance of payments, the country could impose temporary restrictions on foreign capital remittances. Portfolio companies could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the

application to portfolio companies of any restrictions on investments. Investing in emerging markets may require portfolio companies to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs.

Necessity for Counterparty Trading Relationships

The Funds may establish relationships to obtain brokerage or prime brokerage services that permit the Funds to trade in any variety of markets or asset classes over time; however, there can be no assurance that the Funds will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Funds' trading activities, could create losses, preclude the Funds from engaging in certain transactions and prime brokerage services and could prevent the Funds from trading at optimal rates and terms. Moreover, a disruption in the brokerage or prime brokerage services provided by any such relationships before the Funds establish additional relationships could have a significant impact on the Funds' business due to the Funds' reliance on such counterparties.

Emerging Markets Counterparty and Intermediary Risks

Custodial, settlement and clearing services in many emerging markets are not as highly developed as those that exist in more developed markets, and the banking institutions that fulfill custodial roles are not subject to as high a degree of supervision, or supervision by as highly trained personnel, as are their counterparts in the United States and Western European countries. Delays in transfers by banks may result as may liquidity crises and other problems arising as a result of the under-capitalization of the banking sector as a whole. A general banking crisis in any of the emerging markets in which the Funds invests could have a material adverse effect on the Fund.

In addition, fewer institutions enter into transactions in the emerging markets than in developed international financial markets. Many of those institutions are themselves located in the emerging markets and/or may be below investment grade. The Funds may enter into transactions to purchase and/or sell emerging market investments with many such institutions. In addition, the period between the commitment to a transaction and the settlement of a transaction in emerging markets can be substantially longer than the period for the settlement of a transaction in other types of investments, and trade execution is often substantially more complex. Therefore, the Funds' exposure to loss in the event of default by its counterparty or counterparties in such transactions may be highly concentrated and significant.

Certain of the Funds' transactions may be undertaken through local brokers, banks, or other

organizations, and the Funds will be subject to the risk of the default, insolvency, or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that the Funds would have any recourse in the event of default. The collection, transfer, and deposit of bearer securities or cash expose the Funds to a variety of risks including theft and loss.

Crime and Corruption

Organized crime and corruption at official levels, including extortion and fraud, remain common in emerging markets. Property and employees of the Funds may be targeted as potential victims of theft, violence, or extortion. Threats or incidents of crime may cause or force the Funds to cease or alter certain activities or liquidate certain investments, which may cause losses or otherwise have a material adverse effect on the Funds.

OFAC and FCPA Considerations

Economic sanction laws in the United States and other jurisdictions may prohibit the Adviser, its professionals and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These types of sanctions may significantly restrict the Funds' investment activities in certain emerging market countries.

The Adviser, its professionals and the Funds are committed to complying with the U.S. Foreign Corrupt Practices Act (the "FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Funds may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities and for investments to obtain or retain business.

While the Adviser has developed and implemented policies and procedures designed to ensure strict compliance by the Adviser and its personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of the Adviser's policies and procedures, affiliates of portfolio companies may engage in activities that could result in FCPA violations. Any determination that the Adviser, its professionals or the Funds have violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject the Adviser, its professionals or the Funds to, among

other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the Adviser's business prospects and/or financial position, as well as the Funds' ability to achieve their investment objective and/or conduct their operations.

Environmental Risks

The Funds may face a significant environmental liability in connection with their investments in companies in emerging markets. The poor enforcement of environmental regulation in some emerging market countries has led to widespread pollution of air, ground, and water resources. The legislative framework for environmental liability has not been fully established or implemented. The extent of the responsibility, if any, for the costs of abating environmental hazards may be unclear when the Funds are considering an investment. The Funds may experience material losses due to these risks.

There can be no assurance that the countries in emerging markets will not impose additional regulations through enactment of new legislation, promulgation of new regulations, or interpretative enforcement actions which would require additional expenditures on environmental matters.

Restrictions on Trade

Compliance with trade restrictions, including but not limited to economic sanctions, quotas, tariffs, customs duties, and other assessments, may significantly increase the cost to portfolio companies of obtaining goods and ultimately reduce the amount that is realized upon the sale of investments. In addition, delays in obtaining licenses, approvals, and authorizations are common and may adversely affect the operations of portfolio companies.

Uncertain Registration, Settlement, Clearing and Custodial Systems

From time to time, certain securities markets have experienced operational clearance, settlement, and custody problems which have resulted in failed trades. To the extent such problems occur, the Funds could miss attractive investment opportunities in the event it were unable to consummate securities transactions. Moreover, in the event the Funds were a seller in a trade situation, the market price of the security, which was the subject of the failed trade, could decline after the time the trade was entered into and, if the Funds had entered into a contract with the purchaser of the security, the Funds could have a liability to that purchaser. Custodians for the Funds may use sub-custodians with which the Funds lacks privity of contract and against which the Funds may have limited recourse, which

may cause the Funds to experience losses or otherwise have a material adverse effect on the Funds.

In addition, delays and inefficiencies of the local postal, transport, and banking systems could result in missed rights and entitlements, the loss of funds (including dividends), and exposure to currency fluctuations.

Accounting Standards; Limited Availability of Information; Due Diligence

Accounting standards in emerging markets do not generally correspond to international accounting standards, and national accounting, auditing and financial reporting standards are not consistently employed. The financial information appearing on the financial statements of a company in an emerging market may not reflect its financial position or results of operations in the way they would be reflected if the financial statements had been prepared in accordance with generally accepted international accounting principles. Investors in emerging markets generally have less access to reliable and detailed information than investors in more economically sophisticated countries, including both general economic and commercial information, and information concerning the operations, financial results, capitalization, financial obligations, earnings, and securities of specific enterprises. Western-style business plans, financial projections, and market analyses are usually not available. In addition, the scope and nature of the Funds' due diligence activities in connection with portfolio investments will be more limited than due diligence reviews conducted in more developed economies because, among the other factors listed in this section, (i) certain information is unavailable or prohibitively costly to obtain and/or (ii) the information that is available is generally less reliable and less detailed than financial information that is typically available to investors in Western countries. The lower quality of information in emerging markets increases the likelihood of material losses on investments. While the Funds and the Adviser will endeavor to conduct appropriate due diligence in connection with each investment, no assurance can be given that they will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with an investment.

Valuation Constraints

The Funds may invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and the Funds may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on

national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Because the markets for such securities are still evolving, liquidity in these securities is limited and liquidity with respect to lower-rated and unrated subordinated classes may be even more limited. As a result, calculating the fair market value of the Funds' holdings may be difficult and there can be no assurance that the Adviser's valuation will accurately reflect the value that will be realized by the Funds upon the eventual disposition of such investment. Disposition of such illiquid investments may also result in distributions in kind to the investors. The Adviser may not necessarily aggregate illiquid investments in classes, and may use valuation methodologies for such assets involving subjective determinations.

Weak Financial Systems; Banking System Risks

The banking systems of some emerging market countries are subject to three main risks: the insolvency of a bank due to concentrated debtor risk; a general lack of commercially profitable lines of business that are not dependent on inefficiencies in the local economies; and the effect of inefficiency and fraud on bank transfers. These risks, coupled with the fact some banks have not developed the infrastructure to channel domestic savings to companies in need of finance, can lead to portfolio companies having difficulty in obtaining working capital or otherwise have negative impact on the Funds' investments.

Foreign Currency and Exchange Rate Risks

To the extent that the Funds directly or indirectly hold assets in local currencies, the Funds will be exposed to risks of inflation, deflation, potential shortages in the supply of hard currency for exchange, and the unpredictability of government policies regarding monetary supply, any of which may have a material adverse effect on the value of the Funds' investments.

A significant proportion of the investments made by the Funds, and all income and gains they receive, will be denominated in foreign currencies. Changes in foreign currency exchange rates may affect the value of securities in the portfolio, and various emerging markets may employ a managed exchange rate regime. Structural economic policies implemented by governments may at times enable currencies to recover, but there is no certainty that such economic policies will be implemented nor that they will cause a particular currency to recover.

In addition, the Funds will incur costs in connection with conversions between various currencies. The Funds will conduct their foreign currency exchange transactions in

anticipation of funding investment commitments or receiving proceeds upon dispositions, but ordinarily will not attempt to hedge currency risks over the long term.

Repatriation of investment income, capital, and the proceeds from sales of securities by foreign investors, such as the Funds, may require governmental registration and approval in various emerging markets. The Funds could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

Restrictions on Repatriation of Capital and Profits

The governments of emerging market countries may control, in varying degrees, the repatriation of investment income, capital and profits that result from foreign investment. Capital markets continue to be highly regulated, and often not transparent and will likely be subject to continuing government restrictions. There can be no assurance that the Funds will be permitted to repatriate capital or profits, if any, over the life of their activities. If governmental registration and approval is required, the Funds could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

Other Risks

Tax Risks

The tax law and practice of the countries in emerging markets are not as clearly established as those of developed nations. It is possible, therefore, that the current interpretation of the law or understanding of practice may change or, indeed, that the law may be changed with retroactive effect, including with respect to taxation treaties (or their interpretation) to which countries in the emerging markets are party. Accordingly, it is possible that the Funds and their investors could become subject to taxation in jurisdictions in which portfolio companies are organized, operate, or invest, including taxation that is not anticipated either at the date of this brochure or when investments are made, valued, or disposed of. In addition, the local tax burden may be high and the discretion of local authorities to create new forms of taxation may result in a proliferation of taxes, in some cases imposed or interpreted retroactively.

Certain Tax Considerations Relating to Investments in the Funds

An investment in the Funds involves complex U.S. federal, state and local income tax and non-U.S. tax considerations that will differ for each investor or prospective investor

depending on such investor's or prospective investor's particular circumstances and will be affected by the investments made by the Funds. Changes or modifications in existing judicial decisions or in the current positions of the Internal Revenue Service (the "IRS") and the passage of new legislation (possibly with retroactive effect) could materially impact the tax treatment of an investment in the Funds.

IRS Challenge

The IRS may audit the Funds and challenge any of the positions taken in regard to their formation, investments or operations, and such audit may result in an audit of an investor's own tax returns and possibly adjustments to the tax liability reflected thereon.

Failure to Make Capital Contributions

With respect to certain of the Funds, if an investor fails to make a required capital contribution or fails to pay when due installments of any commitment it has to purchase shares of or interests in such Funds, the investor may be subject to various remedies as provided in the subscription documents and agreements, including, without limitation, reductions in the capital account balance or mandatory withdrawal or reductions in the new asset value of the shares, forfeiture or compulsory redemption of some or all of its shares.

Indemnification; Limitations on Liability of Adviser

Each Fund and master fund has been organized as either a limited partnership or a limited company. Accordingly, an investor in the Funds or any master fund will not be personally liable for the debts of the Funds or such master fund, respectively, except that the investors may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them.

The subscription documents and/or organizational documents of each Fund contain broad indemnification for the benefit of, and exculpation provisions that limit the right of the investors to maintain an action to recover losses or costs incurred by the Funds as a result of actions or failure to act against, each of the following: the Adviser; the applicable general partner; the key principals; their respective partners, members or shareholders; affiliates of the Adviser, the applicable general partner or the key principals; officers, directors, partners, members, employees or agents of the Adviser or applicable general partner; and persons who serve at the request of the applicable general partner on behalf of the applicable Fund as an officer, director, partner, committee member or employee of any person, including members of any investor committee.

Operational Risks

Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Funds' operations may cause the Funds to suffer financial loss, the disruption of their business, liability to clients or third parties, regulatory intervention or reputational damage. The Adviser relies heavily on its own (as well as those of its administrators, custodians and brokers) financial, accounting and other data processing systems.

Systems Risk

The Funds may rely on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, monitor their portfolio holdings, and generate risk management and other reports that are critical to oversight of the Funds' activities. In addition, certain of the Funds' and the Adviser's operations interface with or depend on systems operated by third parties including its custodians, administrators, prime brokers and market counterparties and their sub-custodians and other service providers, and the Funds or the Adviser may not be in a position to verify the risks or reliability of such third party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Funds. For example, such failures could cause settling trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Funds' ability to monitor their investment portfolios and their risks.

Side Letters and Other Agreements with Investors

The Funds or the general partners of the Funds may enter into separate agreements with certain investors in the Funds, such as those affiliated with the Adviser or those deemed to involve a significant or strategic relationship, to waive certain terms, or allow such investors to invest on different terms than those specifically described in the offering documents, including, without limitation, with respect to fees, incentive allocations, liquidity or depth of information provided to such investors concerning the Funds. Under certain circumstances, these agreements could create preferences or priorities for such investors with respect to other investors in the Funds.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of the Adviser or the integrity of the Adviser's management.

The Adviser does not have any disciplinary information applicable to this Item to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Cartica Management, L.P., a Cayman Islands exempted limited partnership, is a related person of the Adviser that serves as investment adviser to the Funds and assists in providing investment advice, as well as providing other support to the Funds.

Other related persons include the general partners of the Funds that are limited partnerships, including Cartica Corporate Governance Fund GP, LLC, a Delaware limited liability company, Cartica Capital Partners GP, Ltd., a Cayman Islands exempted company, and Cartica Investors II GP, LLC, a Delaware limited liability company. Certain of these general partners may receive incentive allocations from the respective Funds. References to the "Adviser" in this Brochure include references to Cartica Management, L.P. and these general partners, except where the context otherwise requires.

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

The Adviser has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act. The Code of Ethics sets forth the Adviser's high standard of business and ethical conduct and its fiduciary duty to clients. The Code of Ethics includes, among others, provisions relating to personal securities transactions; prohibition on trading on material non-public information; outside business activities; business opportunities; loans; dealings with government and industry regulators; political and charitable contributions; use of company property; gifts and entertainment; and recordkeeping. Employees who violate the Code of Ethics are subject to disciplinary action including, but not limited to, written warnings, and termination of employment. The Adviser will provide a copy of the Code of Ethics to any Fund investor or prospective Fund investor upon request by contacting the Chief Compliance Officer.

In addition to its Code of Ethics, the Adviser has developed a Code of Conduct, which is supplemental to the Code of Ethics. This Code of Conduct recognizes the special nature of the Adviser's business, which involves operations across many jurisdictions, markets and business environments. The Code of Conduct stresses that the Adviser's standards of ethical conduct apply

equally across all countries and markets, regardless of possible gaps in local legislation or practice. In addition, the Code of Conduct requires the Adviser's officers and employees to always put the investors interests first, demonstrate respect for other persons and institutions, deal fairly with all counterparties, protect the firm's reputation for integrity and fair dealing, maintain confidentiality, recognize potential conflicts of interest and always conduct themselves in professional manner.

The Adviser's officers and employees are required to abide by the Adviser's Personal Securities Transaction and Insider Trading Policies, which are designed to ensure compliance with the rules and to mitigate any potential conflicts of interest associated with an Employee's personal trading activity. In rare instances, an employee may transact in or hold the same securities as the Funds. In these situations, the Code is designed to prevent the employee's personal securities transactions from taking advantage of the Funds' transactions. The Adviser monitors personal securities trading to reasonably detect and prevent conflicts of interest between the employees and the Funds.

Except as set forth in the Fund's organizational documents, if the Adviser or other related persons or any of their respective affiliates, directors, officers or employees becomes aware of an investment opportunity that is appropriate for a Fund, such investment opportunity must be offered or recommended to the Fund prior to any such opportunity being taken or transaction relating thereto being engaged in by the Adviser, any other related person or any of their respective affiliates, directors, officers or employees and prior to any such opportunity being offered or recommended by any such persons to any third party.

From time to time, the Adviser may effect a purchase of a security for one or more Funds at the same time as a sale of the same security for another Fund. Such transactions may be effected to rebalance the positions held in Funds' portfolios in order to seek to achieve uniform results among Funds, to take into account Funds' cash flows or to comply with investment guidelines and restrictions. The Adviser may have a potentially conflicting division of loyalties and responsibilities to the parties in such transactions, and the Adviser has developed policies and procedures in relation to such transactions and conflicts. Such transactions will be effected in accordance with fiduciary requirements and applicable law.

Allocation of Investment Opportunities

The Adviser's policies with respect to the allocation of investment opportunities among the Funds, including Funds in which the Adviser or related persons may have material direct or indirect financial interests, are set forth in the Funds' organization documents. In general, each Fund will participate in all investments on a side-by-side *pari passu* basis in proportion to its capital available for investment, subject to certain differences (e.g., due to legal, tax, regulatory, leverage, cash flow or investment policy restrictions, investment liquidity or other considerations) in such Funds. Notwithstanding the foregoing, the Funds may invest on a non-side-by-side *pari passu* basis when necessary for portfolio construction or in order to give effect to differing investment restrictions

across the Funds. The Funds generally will each invest in all “new names” in such proportion as declared in advance by the Adviser (subject to any applicable investment restrictions), which may result in the Funds having different exposures to portfolio companies. In addition, the Adviser may attempt to “catch up” new investors or new Funds in “old names” or in positions where a Fund is not fully exposed.

Item 12 Brokerage Practices

The Adviser is neither registered as, nor is affiliated with, a broker-dealer. The Adviser seeks to obtain best execution when selecting broker-dealers through which to effect transactions. “Best execution” does not mean effecting transactions at the lowest possible commission rate, transaction costs and best price, but includes a number of factors mentioned herein.

The Adviser seeks to effect transactions at a price, commission and transaction cost (e.g., mark-up or mark-down) that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. The Adviser may consider various factors when selecting broker-dealers including, but not limited to, the nature of the portfolio transaction, the size of the transaction, the broker’s trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, willingness to commit capital, access to a particular trading market or issuers’ senior management, security conditions (e.g., liquidity, volatility), and the value of research it provides.

The Adviser has discretion to determine without obtaining prior consent from any Fund the broker-dealer to execute transactions and the commission rates to pay for executing the transaction.

Broker Selection and Compensation

In selecting broker-dealers and determining the reasonableness of their compensation, the Adviser seeks to obtain best execution under the circumstances, taking into consideration, among others, the broker-dealers’ ability to effect prompt and reliable executions at favorable prices; operational efficiency with which transactions are effected taking into account the size of order and difficulty of execution; financial strength; integrity and stability; commitment of capital to facilitate transactions; quality, comprehensiveness and frequency of available research services considered to be of value; and competitiveness of commission rates and dealer spreads in comparison with other broker-dealers. The Adviser is not required to weigh any of these factors equally.

Funds’ transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions (and mark-ups or mark-downs) than would be the case for more routine services.

Research and Brokerage Services

As is customary in the industry, broker-dealers may provide proprietary research to investment advisers, including the Adviser. Under such circumstances, commissions paid to these broker-dealers to execute transactions generally would include the cost to receive their proprietary research and other brokerage services and products, including facilitating access to issuers' senior officers (such services and products, "Soft Dollar Items"). While any such proprietary research may benefit all Funds in the Adviser's investment decision-making or trade execution process, the Funds whose commissions are used for Soft Dollar Items, if any, may not necessarily receive the direct benefit of any such research or other brokerage services or products, while the Funds who do not pay for these services or products may receive a benefit. The Adviser expects that any such research received would be in addition to and not in lieu of services required to be performed by the Adviser, and the Adviser's management fees would not be reduced as a consequence of the Adviser's receipt of such supplemental research.

As of the date of this filing, the Adviser has not made use any Soft Dollar Items with the Funds' commissions.

The Adviser does not negotiate "execution only" commission rates. Accordingly, commission rates may be higher than what might be otherwise available to execute the transaction and the Funds may be deemed to be paying for research services provided by the broker which are included in the commission rate.

The Adviser's Brokerage and Trading Committee meets regularly to review, among other items, new brokerage arrangements, commission levels, and research and brokerage requirements.

Aggregation of Orders

The Adviser, at its discretion, may aggregate orders in the same security for Funds transacting in that security and will generally allocate the securities or proceeds (and the related transaction expenses) on an average price basis among the Funds in the order.

The Adviser believes that by aggregating orders, commission rates and transaction costs may be reduced as a result of such aggregation. However, in certain instances, average pricing may result in higher or lower total net execution price than otherwise obtainable by effecting Fund transactions separately. The Adviser believes that aggregating orders contribute to seeking best execution.

Payment for Client Referrals

From time to time, broker-dealers and their employees may refer potential clients to the Adviser.

It is the Adviser's policy not to direct transactions and commissions to these broker-dealers as compensation for such referrals. However, the Adviser, at its discretion, may consider referral of potential investors in a Fund as a factor in the selection of broker-dealers and may effect transactions through these broker-dealers provided they are able to provide best execution. See Item 14 below for additional information with respect to payment for client referrals.

Directed Brokerage

The Adviser does not accept Fund investors' instructions to effect Fund transactions with certain broker-dealers.

Item 13 Review of Accounts

Account Reviews

The Adviser's Chief Executive Officer, Senior Managing Director and Chief Global Strategist are primarily responsible for reviewing the Funds' investment portfolios and do so periodically either individually or in a group depending upon each Fund's needs and the market conditions. Portfolio managers continuously review positions to ensure compliance with the Funds' objectives and guidelines. The investment team generally monitors and reviews positions, , potential investments, cash and other portfolio parameters daily.

Investor Reports

The Adviser's policy is to have the Funds audited annually by an independent auditor registered with and subject to regular inspection by the Public Company Accounting Oversight Board and to distribute copies of the audited financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") to the Funds' investors no later than 120 days after the end of the Fund's fiscal year. The Funds' administrator provides investors with written reports, including the respective Fund's audited annual financial statements, quarterly statements of fee income applied as offsets to management fees, monthly unaudited performance reports, and all annual tax information relating to investments in the Fund necessary for U.S. federal income tax purposes.

In addition, upon the final liquidation of a Fund, the Adviser will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all Fund investors promptly after completion of the audit.

The Adviser may provide Fund investors with other information as agreed upon. The Adviser may also provide Fund investors with periodic reports that include portfolio exposures and performance

information.

Item 14 Client Referrals and Other Compensation

Client Referrals

From time to time, the Adviser may enter into arrangements with third parties (“solicitors” or “placement agents”) pursuant to which they are compensated for referring investors to the Adviser or Funds. Generally, payments to such solicitors or placement agents will be based on a percentage of the management fee and/or a percentage of the incentive allocation earned by the Adviser with respect to such referred investor.

Other Compensation

The Adviser has not entered into any arrangement under which it receives any economic benefit, including sales awards or prizes, from a person who is not a client for providing advisory services to clients.

Item 15 Custody

The Adviser is deemed to have constructive custody of the Funds’ assets as a result of the service of its related persons as investment adviser or general partners to the Funds. However, the Funds’ assets are maintained at qualified custodians and not the Adviser.

Item 16 Investment Discretion

Pursuant to an investment management agreement between the Adviser or its affiliate and each Fund, the Adviser exercises discretion in managing the investments of each Fund based on the Fund’s particular investment objectives, policies and strategies disclosed in its private offering documents. As described in the Funds’ offering documents, the Adviser is granted discretionary authority to make investment decisions and to select the broker-dealers to effect these decisions and the commission rates to be paid.

Item 17 Voting Client Securities

The Adviser is responsible for voting proxies for portfolio companies in the best interests of the Fund(s). The Adviser has adopted proxy voting policies and procedures and aims to vote proxies that will in its opinion enhance the applicable portfolio company’s value. Investors are not entitled to direct the Adviser’s voting.

From time to time, certain members or employees of the Adviser may be directors of a portfolio company's board and, accordingly, the Adviser may vote proxies as recommended by that company's management, to the extent that the Adviser believes it is acting in the best interest of the Funds to enhance the Funds' interest in the portfolio company.

There may be situations where the Adviser determines not to vote proxies due to complexities or logistical issues related to voting proxies in non-US companies for example, proxies that are required to be voted in-person, "share-blocking" prohibiting the Adviser from selling shares if proxies are voted, proxies written in a foreign language, and other such issues.

A copy of the Adviser's proxy voting policies and procedures, as well as, information with respect to how the Adviser voted specific proxies is available upon request to Fund investors. Such request should be sent to the attention of the Chief Compliance Officer at ldelittle@cartica.com.

Item 18 Financial Information

Registered investment advisers are required to provide clients with certain financial information or disclosures about their financial condition.

The Adviser does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. In addition, the Adviser has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

Registered investment advisers are required to provide certain information under this Item if they are registered with one or more state securities authorities. This Item is not applicable to the Adviser.