

**ITEM 1**  
**COVER PAGE**

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Part 2 of Form ADV: Firm Brochure

Makrana Capital Management Pte. Ltd.  
December 31, 2018

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Makrana Capital Management Pte. Ltd. (“Makrana” or the “Investment Adviser”). If you have any questions about the contents of this brochure, please contact us at + 65 8833 7242. 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.

Makrana is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Makrana also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2**

### **MATERIAL CHANGES**

Makrana Capital Management Pte. Ltd. ("Makrana") is required to identify and discuss any material changes made to its Brochure since the last annual update. This Brochure is Makrana's first Form ADV Part 2A submitted to the SEC pursuant to amendments made to certain rules promulgated under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the form formerly known as Form ADV Part II.

Accordingly, there are no material changes to report.

If Makrana makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

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## **ITEM 4 ADVISORY BUSINESS**

### **A. General Description of Advisory Firm**

Makrana Capital Management Pte. Ltd. (“Makrana”), a Singapore private limited company operating as a registered fund management company regulated by the Monetary Authority of Singapore (“MAS”) is an investment adviser founded in 2017. Sanjot Singh (Mickey) Commar owns 100% of the management company.

Makrana serves as an investment adviser to both comingled private investment funds and separately managed accounts (“SMAs”). The names and details of such accounts is included on the Form ADV I. For purposes of this Form ADV Part 2A, all references to “Makrana” shall also mean Makrana Capital Management Pte. Ltd.

### **B. Advisory Services**

Makrana provides investment management services to private investment funds and managed accounts (the “Clients”). Securities of the Clients are offered to investors on a private placement basis. Makrana provides advice to the Clients across a wide range of investment strategies fully described in Item 8. A complete explanation of the fees and expenses paid to Makrana and its affiliates is contained in the offering documents of each Client.

### **C. Availability of Customized Services**

Makrana's investment decisions and advice with respect to each Client are subject to each Client's investment objectives and guidelines, as set forth in its offering documents or investment management agreements. (“OMs”)

### **D. Wrap Fee Programs**

Makrana does not participate in wrap fee programs.

### **E. Client Assets**

Makrana manages approximately \$125,590,737 as of December 31, 2018 on a discretionary basis.

## **ITEM 5 FEES AND COMPENSATION**

### **A. Fees and Compensation**

The fees applicable to each Client are set forth in detail in each Client’s offering documents or investment management agreements and all performance fees are charged in accordance with Section 205(a)(1) and Rule 205-3 of the Investment Advisers Act of 1940.

#### **1. Management Fees**

Management fees charged to the Clients range from 0 to 1.75% annually, which is typically based on the net asset value of the Client. The management fees are generally paid monthly in arrears.

Makrana may waive or reduce management fees for certain classes or investors, including employees and affiliates of Makrana, in its discretion.

#### **2. Performance Fees**

Performance fees and performance allocations generally are charged at year-end at a rate of up to 20% of net annual profits to the Clients or to capital accounts maintained by the Clients for their investors. For this purpose, net profits generally include both realized gains and losses and unrealized appreciation and depreciation of securities held in the Clients' portfolios.

Upon the complete or partial redemption by an investor other than at the end of a fiscal year, a performance allocation, if any, will be made with respect to the amount being redeemed.

#### **B. Payment of Fees**

Fees and compensation are generally deducted from the assets of each Client. As discussed above, management fees are generally deducted on a monthly basis and performance compensation is generally deducted on an annual basis.

#### **C. Additional Fees and Expenses**

In addition to the Management and Performance fees, Clients will be subject to additional fees related to early redemption or withdrawal. Such fees will be referenced in specific OMs related to a Client offering.

In addition to the fees referenced above in 5 A-C inclusive, Clients will bear the following expenses, either directly or indirectly: stamp duties, taxes, commissions, government and fiscal charges; foreign exchange costs, annual fees, brokerages, bank charges, registration and licensing fees and expenses in respect of the Clients; filing and collection fees; expenses connected with the issue and redemption of Shares or capital accounts as applicable; the fees and expenses of auditors, prime brokers, the administrator, tax advisers and legal advisers (associated with establishing and/or maintaining the Clients, which includes the negotiation and preparation of contracts or agreements to which a Client is a party); certain other expenses incurred in the administration of a Client, including middle office functions; expenses of, or incidental to, convening, attending and holding meetings of shareholders and/or the board of directors, without limitation, the expenses of and incidental to producing, printing and posting or otherwise sending notices of meetings and any documents enclosed with such notices or designed to be read in conjunction with such notices; legal and recording fees and expenses; Makrana's legal expenses incurred in relation to the operations of the Clients; advisory board fees and expenses, if any; fees and expenses of the registered office provider; the retention of directors' services for the Clients; costs of insurance cover for the directors of the Clients; custodial fees and expenses; authorised agent fees; and any extraordinary expenses, such as expenses incurred in relation to dispute settlement, litigation and indemnification by a Client.

In addition to the forgoing, the Clients will also be directly or indirectly responsible for the following research expenses: obtaining or licensing systems, research on investments, investment consultancy and other information utilized for portfolio, risk, or order management purposes that facilitate valuations and accounting, including the costs of statistics and pricing services, research and software (to the extent that such expenses can reasonably be regarded as relating to the activities of a Client) and third party research and due diligence expenses; data processing costs and expenses; quotation and news services; ongoing sales and administrative expenses, and all travel expenses associated with such research.

The above list is not exhaustive. Further details will be set forth in the relevant OM.

#### **D. Prepayment of Fees**

Please see responses to 5A above.

## **E. Additional Compensation and Conflicts of Interest**

See Item 12 for further discussion with respect to fees associated with brokerage practices. Neither Makrana nor any of its supervised persons accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

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

Makrana receives performance-based compensation in the form of a performance fee or allocation with respect to its Clients, which may be payable in cash or in-kind. In the allocation of investment opportunities, performance-based compensation arrangements also may create (i) an incentive to favor accounts with performance compensation arrangements over accounts that are not charged, or from which an adviser will not receive (e.g., because the Client is below the high water mark), a performance compensation; and (ii) an incentive to favor accounts from which an adviser will receive a greater performance compensation over accounts from which an adviser will receive a lesser performance compensation. Makrana has adopted an allocation procedure designed to ensure that all Clients are treated fairly and equitably and to prevent this form of conflict from influencing the allocation of investment opportunities among Clients. In accordance with the allocation procedures, the Adviser will endeavor to treat each Client in a fair and equitable manner. See also our response to Item 12.B.

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

Makrana provides investment advice to the following types of clients:

- Pooled investment funds structured as limited partnerships or exempted companies
- Separately managed accounts structured either as partnerships or exempted entities

The underlying investors in pooled vehicles may include some or all of the following types of investors: high net worth individuals, endowments, foundations, charitable organizations, sovereign wealth funds and other sophisticated investors.

The underlying investors in separately managed accounts may include some or all of the following types of investors: public or private pension funds, endowments, foundations, charitable organizations, sovereign wealth funds or other sophisticated investors.

The constituent documents for each Client may set minimum amounts for investment by prospective investors. Makrana has waived, and reserves the right to modify or waive, the minimum new investment commitments for the Clients from time to time. Minimum investment amounts for managed accounts will be determined on a case by case basis. No investment into any Client may be made prior to the acceptance of completed subscription documents.

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

#### **Overview**

Makrana focuses on long-short investment opportunities based on fundamental bottom-up research in equity, equity-linked, fixed income and special situations (including event trades) across ASEAN nations and India, with a focus on India. The size of the target universe is broad and deep, allowing for maximum flexibility in generating alpha.

Makrana believes its strategy is relatively liquid, with an Indian stock exchange that turns over approximately USD \$4 billion daily on the cash side (excluding their derivatives) based on certain identified liquidity parameters. On the short side, Makrana uses single stock futures to trade, although not all cash stocks have futures. Each stock that has a future has an Open Interest “OI” and these are outstanding contracts at any given point in time. Contracts expire at the end of every month, unless rolled over. It is very important to have strict liquidity parameters and discipline when trading single stock futures in India, which the investment team has developed, being one of the very few participants on the short side in India over the last several years. There are currently over 190 stocks in the single stock futures market in India that have a collective OI of \$19.5 billion based on certain identified liquidity parameters.

### **Investment Process**

Makrana will focus its investment process on fundamental bottom-up research for individual positions. Makrana strongly believes in undertaking proprietary fundamental research work on its own and as such, does not use any “plug and play” sell-side analyst models. The investment team intends to spend significant time discussing the underlying assumptions to get comfort on Makrana’s ability to predict earnings and answer key questions like “Why we feel we are different from the street?” and “What is our edge?”

In addition, individual positions must always pass the governance test; as the saying goes “*The moment there is suspicion about a person’s motives, everything he does becomes tainted*” – Gandhi.

There is a certain rigour and discipline built into the investment team in relation to staying on top of individual position. Makrana intends to adopt a disciplined approach to exit investment positions when target prices are achieved. Specific details about the portfolio construction process for any Client will be set forth in the OM designated for that Client.

### **Risk Management**

Senior investment members of Makrana have worked and invested together for over a decade in emerging markets, working only for large US-based SEC regulated institutions, and therefore understand the importance and focus on compliance and risk. The investment members expect to spend significant amounts of time evaluating what can go wrong with individual investment positions and the overall portfolio, including positioning. The investment team accordingly expects to spend time identifying downside risk of investments and trying to quantify such risk.

Makrana intends to conduct daily meetings between the CIO and PM to review each Client portfolio. In the event of a 5% drop in the value of an investment, the PM and the concerned analyst expect to immediately review the underlying theme to ensure that the fundamentals supporting the investment remain intact and make sure that no aspect of the thesis has been missed or changed.

### **Leverage**

Leverage may be used when the investment team at Makrana believes that the use of leverage would further commercial interests of a Client in its pursuit of its investment objective. The leverage to be employed may include without limitation, borrowing securities and entering into derivatives and other financial instruments. The amount of leverage ultimately employed in any situation is expected to be a function of prevailing market conditions and Makrana’s investment and market views over time and may fluctuate.

Borrowings may also from time to time be made to meet redemption requests and/or for short term bridging purposes.

## **Ownership and Investment Restrictions as per the Indian Foreign Portfolio Regime**

### **Ownership Restrictions**

Certain Clients managed by Makrana will be designated as a “Foreign Portfolio Investor” in India (“FPI”). As an FPI, the aggregate holding of a Client (including through offshore derivative instruments (“ODIs”)) in any Indian company cannot exceed 10% of the entire paid-up share capital of that company, which limit, in relation to aggregate of all FPI investments in the entire share capital of that company, can be further extended to a maximum of 24% of the entire paid-up share capital of that company. Further, the aggregate foreign investment limit (including the maximum 24% of all FPI investments) in the entire share capital of a company may be extended to such applicable foreign investment limits in a specific sector if the directors and shareholders of a company pass a special resolution to that effect in its general meeting and subject to prior intimation to the Reserve Bank of India (“RBI”). Currently, barring a few sectors such as defense and banking, foreign investment up to 100% is permitted, in most sectors.

Moreover, as per the FPI Regulations and the FDI Policy, an FPI Client cannot hold more than 10% (ten per cent) of the paid-up share capital of an Indian company, or 10% (ten per cent) of the paid-up value of each series of convertible debentures issued by an Indian company. The limit for 10% is calculated including the combined interests in the Indian company, either directly as an FPI or indirect holdings through ODIs. As per the FPI Regulations, an FPI Client will be permitted to invest only in certain permissible securities in India.

### **Risks – Investment Risks**

**Impacts of Recent Geopolitical Events.** Volatility of the price of oil, current developments in Syria, Iraq, Afghanistan and the Middle East generally, the continued threat of terrorism, the ongoing military and other actions and heightened security measures in response to these threats, international and regional military tensions and instability in the credit and sub-prime markets may cause disruptions to commerce, reduced economic activity and continued volatility in markets throughout the world. Such systemic risks may have an adverse impact on some of the assets in a Client's portfolio in the event that such risks result in a decline in the securities markets and economic activity. Such external geopolitical risk, including escalation of tensions between the United States and Russia and/or escalation in the Korean Peninsula can lead to external shocks leading to foreign capital fleeing all emerging markets, including India.

Makrana cannot predict at this time the extent and timing of any decreased commercial and economic activity resulting from the above factors, or how any such decrease might affect the value of securities and other assets held by a Client. The aforementioned factors could also result in incidents or circumstances that would disrupt the normal operations of the Prime Brokers and the Administrator, or any of the broker-dealers, which could also have negative effects on the investment performance of a Client.

**The Exit of the United Kingdom from Membership of the European Union May Give Rise to Uncertainty, Volatility and Negative Economic Impacts.** On June 23, 2016, the United Kingdom held an "in-or-out referendum" on the United Kingdom's membership of the EU, the result of which favoured the exit of the United Kingdom from the EU ("Brexit"). The United Kingdom has the largest financial services sector in the EU. A process of negotiation will determine the future terms of the United Kingdom's relationship with the EU, which could take many forms. In the meantime, the United Kingdom remains a member of the EU. The potential impact of Brexit on the Management Entities and a Client is currently unclear. Depending on the terms of Brexit, economic conditions in the United Kingdom, the rest of the EU and global markets may be adversely affected by reduced economic growth and volatility. The uncertainty before, during and after the period of negotiation could also have a negative economic impact and increase volatility in the financial markets, including,



without limitation, markets in the EU and the United States. Such volatility and negative economic impact could, in turn, adversely affect the NAV of Clients. Further items that may be affected by Brexit may include the regulatory environment and the ability of a Client to raise capital from investors within the EU. It is also possible that Brexit will stimulate further calls for referenda and political instability amongst member states of the EU and in the United Kingdom itself with attendant risks.

**Directional Trading.** Save as may be required by laws and regulations applicable to Makrana and/or a Client, there are no material limitations on the strategies or instruments in which Makrana may invest a Client portfolio. The management of a Client's portfolio is limited only by the discretionary judgment of Makrana. Directional investing is subject to all the risks inherent in incorrectly predicting future price movements. Often these price movements will be determined by unanticipated factors, and even if the determining factors are correctly identified, Makrana's analysis of those factors may prove inaccurate. This can lead to substantial losses. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The risks flowing from attempts to predict absolute price movements are generally perceived to exceed that involved in attempting to predict relative price fluctuations.

**Fundamental Strategies.** Fundamental analysis, which posits that markets are imperfect and that mispricings can be identified between prevailing market prices and those indicated by underlying fundamental data, is subject to the risk of inaccurate or incomplete market information, as well as the difficulty of predicting prices based on such information. Furthermore, even if an analyst is able to successfully identify mispricings on the basis of fundamental factors, there is the additional uncertainty of predicting the duration or degree of such mispricings and, accordingly, when or whether to invest so as to profit from them. Investments made based on fundamental analysis are subject to significant losses when market sentiment leads to the market price of the Investments being materially discounted from the level indicated by fundamental analysis (as in the case of "flights to quality" when the demand for Investments other than high-quality sovereign debt securities diminishes to a degree significantly in excess of that indicated by the fundamental differences between high-quality sovereign debt and other securities) or technical factors, such as price momentum or option expirations, dominate the market.

**Special Opportunities Investments.** Makrana may invest and trade in securities of companies that it believes are undervalued because, although such businesses are not the subject of an announced transaction or re-organisation, in the management team's view such businesses are likely candidates for such a transaction. In such a case, if the anticipated transaction does not in fact occur, a Client may sell the securities at a loss.

Makrana may direct its Clients to invest in securities of certain businesses in sub-optimal financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganisation proceedings. Investments of this type may involve financial and business risks that can result in losses. Among the risks inherent in investments in under-performing entities is the inability to obtain information as to the true condition of such businesses. The management team will conduct due diligence to obtain the best information on the targeted company. Laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and a bankruptcy court's power to disallow, reduce, subordinate, or disenfranchise particular claims also may affect such investments adversely. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected with respect to normal issuers. It may take a number of years for the market price of such securities to reflect their intrinsic value.

Securities of financially weak companies require active monitoring and may, at times, require participation in bankruptcy or reorganisation proceedings by the management team at Makrana. To

the extent that members of the management team become involved in such proceedings, Makrana may have more active participation in the affairs of the issuer than that assumed generally by an investor.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganisation, there exists the risk that the reorganisation either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to a Client of the security in respect to which such distribution was made.

In certain transactions, a Client may not be hedged against the risk of market fluctuations, or in liquidation situations, may not assess accurately the value of the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

**Interest Rate Risk.** A Client is subject to interest rate risk in respect of its borrowings and investment strategy. The Management Entities may attempt to minimise the exposure of a Client's portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, the Management Entities are not required to do so and, even if it does, there can be no guarantee that Makrana will be successful in fully mitigating the impact of interest rate changes on a Client's portfolio.

**Foreign Currency and Exchange Rate Risks.** A substantial amount of a Client's assets may be invested in Investments denominated in a functional currency other than the base currency. Investments in such assets will be subject to the systemic and systematic risks connected with changes in exchange rates. Changes in the exchange rate may result over time from the interaction of many factors that directly or indirectly affect economic and political conditions in the countries in which a Client invests. 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. National governments rarely voluntarily allow their currencies to float freely in response to economic forces. Sovereign governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies. A Client may use hedging techniques with the objective of protecting against loss through the fluctuation of the valuation of foreign currencies, particularly the forward market in foreign exchange, currency options and currency futures but will not be required to do so. To the extent a Client enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if a Client fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to a Client for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

**Volatility.** The prices of some of the instruments intended to be traded by a Client have been subject to periods of excessive volatility in the past, and such periods can be expected to recur or continue. Price movements are influenced by many unpredictable exogenous factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. Whilst volatility can create profit opportunities for a Client and a Client, it can also create the risk that historical or theoretical pricing relationships will be disrupted, causing what should otherwise be comparatively low risk positions to incur significant losses. On the other hand, the lack of volatility can also result in losses for certain of a Client's positions that profit from price movements.

**Valuation of Fund Assets.** Makrana will value the securities and other financial instruments held by a Client in accordance with the Investment Management Agreement and this Memorandum. When no market exists for an Investment or when Makrana determines that the market price does not fairly represent the value of the Investment, Makrana will value such investment as it reasonably

determines. The Management Fee is paid to Makrana and redemptions are done based on these valuations.

**Temporary Investments in Liquid Assets.** A Client may at times keep a portion of its assets in cash, cash equivalents or other liquid assets, including, without limitation, currencies, bank deposits, certificates of deposit, bankers acceptances, one or more short duration funds and/or government securities (both short-term and long-term). Such investments may be financed by entering into repurchase agreements and/or reverse repurchase agreements with a Client's brokers or by other means. Shareholders should be aware that such investments usually produce a lower return than other investments contemplated by a Client and therefore may impact the overall performance of a Client. The percentage of Client assets held in cash or cash equivalents should not be taken as an indication that a Client has not fully invested all of its assets.

**Lack of Diversification.** Whilst Makrana intends to allocate a Client's equity amongst a number of techniques and positions, there are no fixed allotments or guidelines regarding diversification. The Investment Management Agreement does not limit the amount of capital that may be committed to any single investment, industry, sector, asset class or geographical location. In accordance with the investment objective, a Client's investment portfolio may at times be limited to the securities of relatively few issuers. This will likely result in a Client experiencing a relative lack of diversification. A Client, at times may hold a relatively small number of positions, each representing a relatively large portion of a Client's capital in a particular type of financial instrument and, as such, not be optimally or adequately diversified. A Client may at times have a relatively large portion of its capital invested in particular types of securities or other instruments, or it may be highly exposed to a particular industry or market sector. Losses in one or more large positions or a downturn in an industry or market sector in which a Client is concentrated could materially adversely affect a Client's performance in a particular period and have a materially adverse effect on a Client's overall financial condition. In addition, if the price of an investment should decrease and Makrana is unable for any reason to liquidate the position quickly or at a relatively advantageous price, the effect of such decrease on a Client's portfolio will be greater if a Client has concentrated its assets in such a position. Such effects could have the result of decreasing a Client's returns. Further, significant losses or redemptions may leave a Client with insufficient funds to diversify its Investments. A limited degree of diversification increases the risk of loss because, as a consequence, the aggregate return experienced by Shareholders may be substantially adversely affected by the unfavourable performance of one or more single Investments, or by economic or market driven factors that affect the target market. Accordingly, the strategy of a Client creates the risk that Makrana may, from time to time, be unable to make optimal investment decisions and a Client may experience significant losses.

**Potential Inability to Liquidate Investments.** Under certain market conditions (for example, upon the suspension of trading on the exchange on which such investment is listed), Makrana may find it difficult or impossible to liquidate a position. If for any reason a Client's investments cannot be sold, otherwise disposed of or valued, the management team may not be able to liquidate sufficient assets of a Client, or value such assets, in order to meet redemption requests by a Client. In such circumstances, investors should be aware that the Directors are empowered to suspend the determination of the Net Asset Value and/or the processing of redemption requests in accordance with the Articles and OM. Accordingly, shareholders may be prevented from redeeming some or all of their investment in a Client for an indefinite period.

**Unspecified Investments.** Makrana has discretion to select investments for Clients as investment opportunities arise. Clients must rely upon the ability of Makrana to identify and implement investments consistent with a Client's investment program. Investors in a Client will not be aware of the investments Makrana makes prior to the execution of such investments.

**Difficulty of Locating Attractive Investments.** Identifying, completing and realising a gain on attractive investments is a highly competitive activity and involves significant uncertainty. In the course of implementing its investment objective, Makrana will compete for investments with other

investment vehicles, as well as financial institutions and other institutional investors, which may have more resources than a Client. There can be no assurance that the management team will be able to locate and complete investments which satisfy a Client's rate of return objective, realise their value or that a Client will be able to fully invest its subscribed capital in a manner consistent with its investment strategy.

**Reliance on Corporate Management and Financial Reporting.** The investment strategy implemented by a Client may rely on the financial information made available by issuers in which a Client invests and such issuers' trustees or managers. Makrana has no ability to independently verify the financial information disseminated by these third parties and is dependent upon the integrity of both the management of these third parties and the financial reporting process in general. Recent events have demonstrated the material losses that investors such as a Client can incur as a result of corporate mismanagement, fraud and accounting irregularities. Accordingly, corporate mismanagement, fraud and accounting irregularities.

**Portfolio Turnover.** A Client may invest on the basis of short-term market considerations, and the mispricings from which a Client will seek to profit can be short-lived. The turnover rate of a Client's positions may be significant, potentially involving substantial brokerage commissions, fees, bid-ask spreads and other transaction costs, which a Client must recoup before a Client's investment can be profitable.

### **India-Related Risks**

**Political, economic and social risk.** Political, economic and social factors, changes in Indian law or regulations and the status of India's relations with other countries may adversely affect the value of a Client's investments. In addition, the Indian economy may differ favourably or unfavourably from other economies in several respects, including the rate of growth of its gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. Makrana does not currently intend to obtain political risk insurance for its Clients, and in the event that a Client desires to obtain such insurance in the future, it is possible that such insurance will not be available or fully protective. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions and prices and the performance of investments. India has from time to time experienced social and civil unrest and hostilities both internally and with neighbouring countries. India has also experienced terrorist attacks in some parts of the country. The occurrence of social unrest or external tensions could adversely affect India's political and economic stability and, consequently, adversely affect performance.

India is a country that comprises diverse religious and ethnic groups. It is the world's most populous democracy and has a well-developed political system. Ethnic issues and border disputes have, however, given rise to on-going tension in relations between India and Pakistan, particularly over the region of Kashmir. In addition, cross-border terrorism could weaken regional stability in South Asia, thereby hurting shareholder sentiment. India's political, social and economic stability is related to its developing status. Certain developments (such as the possibility of nationalisation, expropriations or taxation amounting to confiscation, political changes, civil disturbances or violence, governmental regulation, social instability, diplomatic disputes or other similar developments) could adversely affect a Client's performance.

While fiscal and legislative reforms have led to economic liberalisation and stabilisation in India over the past 15 years, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. The investments could also be adversely affected by changes in laws and regulations or the interpretations 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 industrialised nations, by the promulgation of governmental policies in those nations discouraging the relocation of labour or by a voluntary reduction in relocation by companies in response to negative popular opinion or customer dissatisfaction. In spite of cross party consensus on economic reforms, a regime change in the Indian government could slow or reverse certain reforms that favour investment in India. Although Makrana believes that it is more likely than not that the new government will continue the process of economic liberalisation, there can be no such assurances. Political instability can disrupt policy-making, the rate of economic liberalisation could change, and specific laws and policies affecting technology companies, foreign direct investment, currency exchange and other matters could change as well. Disruption in policy-making or a significant change in India's economic liberalisation and deregulation policies may adversely affect business and economic conditions in India generally.

There is also a key man risk with Prime Minister Narendra Modi as if something were to happen to him, there is currently no strong second layer in the Bharatiya Janata Party (BJP).

**Stock Market Volatility.** Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently from large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for Client investments.

**Indian Securities Markets.** Securities listed on Indian stock exchanges may have low market capitalization and trading volume. Further, volatility could also create liability on Makrana Capital to bring in additional margin. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for a Client's investments.

Indian stock exchanges utilize "circuit breaker" systems under which trading in particular stocks or the entire market could potentially be suspended on account of excessive volatility in a stock or on the market. Such disruptions could significantly impact the ability of a Client to sell its investments. Further, such volatility could also create liability on a Client to bring in additional margin. Factors like these could adversely affect Client performance.

**Currency fluctuation of the Indian Rupee.** The reference currency of Clients will be the U.S. Dollar and accordingly any allocations and distributions to Shareholders and the value of the Participating Shares will be in U.S. Dollars. Consequently, a change in the value of the Indian Rupee against the U.S. Dollar will result in a corresponding change in the value of the NAV. Changes in the exchange rate between the Indian Rupee and the U.S. Dollar could have an adverse effect on a Client, including the amounts available for distribution. A Client may attempt to mitigate currency exchange risks by entering into hedging arrangements with third parties.

**Inflation rates and interest rates in India.** Although inflation in India has been relatively modest over the last few years, there is no assurance that inflation rates will not increase. High inflation may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures could inhibit economic activity in India and thereby possibly adversely affect the portfolio investments. Inflation may also directly affect the investee companies by increasing operating costs and/or reducing the returns from

such investments; for instance, if rents or prices are fixed. In addition, high inflation may adversely affect local taxation of the companies.

**Deflationary Pressures Globally and in India.** Although neither India nor the global economy as a whole has experienced excessively low relative inflation, there is no assurance that inflation rates in India or globally will not decrease below zero percent annually. Negative inflation, or deflation, in India or globally, could inhibit economic activity and thereby possibly adversely affect Client investments.

**Reliance on Oil Imports.** India imports approximately 80% of its oil requirement so any sharp move in oil prices remains a risk to the economy. However, the India Government has been trying to mitigate this risk by raising duties on petrol and diesel while oil prices have been declining, thus creating a buffer they can potentially use when oil prices increase. Makrana notes that from the time the incumbent government took charge, crude oil prices are down approximately 40% but both petrol and diesel prices are up (approximately 8% each). During this same period of time, excise duty is up approximately 2.3 times on petrol (which forms approximately 31% of the price) and approximately 5 times on diesel (which forms approximately 39% of the price). There is no certainty as to the effectiveness of the measures taken by the India Government and no certainty as to the movement in oil prices.

**Dispute Resolution.** Makrana may rely on the Indian legal system to resolve potential issues relating to Client investments. While the Indian legal system is well established and its jurisprudence is derived from English common law, resolution through the Indian court system (including quasi-judicial authorities such as the SEBI) could be a relatively lengthy process that could result in delays. If a dispute arises between a Client and other investors in an Indian investee company, the ability to achieve final resolution and timely and effective enforcement of a judgment or arbitral award in a Client's favor may be limited by one or more of the following factors: (a) delays in pursuing claims and/or enforcing a judgment or arbitral award through the Indian judicial system due to the large backlogs and resulting delays in the system; (b) the unenforceability of certain types of subscriber arrangements under Indian law; and (c) public policy considerations that may disfavor a Client as compared to Indian investors.

Additionally, any litigation may consume substantial amounts of Makrana's time and attention, and that time and the devotion of these resources to litigation at times may be disproportionate to the amounts at stake in the litigation. Litigation may be commenced with respect to an investment acquired by a Client in relation to activities that took place prior to the Client's acquisition of such investment.

**Corporate disclosure, accounting and corporate governance standards in India.** Disclosure and corporate governance standards in India are different than those of developed nations, and accounting, financial and other reporting standards in India are not the same as those in more developed countries. The Securities and Exchange Board of India ("SEBI"), established under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), 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 Client performance.

**Securities regulation.** There is a difference between the level of regulation and monitoring of the Indian securities markets over the activities of investors, brokers and other participants, as compared to the level of regulation and monitoring of markets in more developed economies. India's securities regulator, SEBI, has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries, and other aspects of securities regulation in India may not be as well developed or strictly enforced as they are in the U.S. and Western Europe, among other jurisdictions.

## **Tax Risks**

**Modifications to the India – Singapore Double Taxation Avoidance Agreement.** The India – Singapore Double Taxation Avoidance Agreement (“**Treaty**”) was amended by way of a third protocol (“**Protocol**”) dated 30 December 2016, which came into effect on 1 April 2017. In terms of the Protocol, capital gains arising to a resident of Singapore from investments made in shares of Indian companies on or after 1 April 2017 shall be taxable in India. A transition period commencing from 1 April 2017 through 31 March 2019 has been provided during which time only 50% of the applicable Indian capital gains tax rate shall apply to such gains upon fulfilment of certain substance linked conditions prescribed in this regard in the Treaty. This amendment to the Treaty shall result in capital gains arising from the Singapore Client investments made in shares of Indian companies after 1 April 2017 becoming liable to capital gains tax in India and could have a material adverse effect on a Singapore Client’s business, financial condition and results of operations, and consequently, on returns to the investors.

Further amendments to the Treaty, or the interpretations given thereto by regulatory authorities could impose additional costs or obligations on Singapore-domiciled entities. Significant adverse tax consequences may result if a Singapore Client does not qualify to avail benefits (as relevant) of the Treaty. There can be no assurance that the Treaty will continue and will be in full force and effect during the investment commitment period of any given Client. Further, it is possible that the Indian tax authorities may seek to take the position that a Client is not eligible to claim benefit of the Treaty.

**Tax Residency in India.** As per the domestic tax law of India, governed by the (Indian) Income-tax Act, 1961 (“**IT Act**”), a company is considered to be a tax resident of India if in a given financial year: (i) it is an Indian company; or (ii) its ‘place of effective management’ (“**POEM**”) in that year is in India. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made. The Central Board of Direct Taxes (“**CBDT**”) has issued guidelines for determination of POEM. If for any reason the POEM of a Client or Makrana is considered to be in India, then the global profits of the Client or Makrana, as the case may be, could be subject to taxation in India.

**Risk of non-renewal of Tax Residency Certificate.** All Singapore-domiciled Clients shall apply for a Tax Residency Certificate (“**TRC**”) in Singapore and are expected to renew on an annual basis. However, there is no guarantee that such renewal would be granted by the Inland Revenue Authority of Singapore. In case a Client is found not to be tax resident of Singapore, the Client may no longer be eligible for the benefits conferred under the Treaty, which may consequently have an adverse impact on the taxability of the Client and the returns to the investors. The IT Act read with Rule 21AB of the (Indian) Income-tax Rules, 1962 (“**IT Rules**”) framed thereunder specifically stipulate that benefits of a tax treaty would not be available to non-residents unless they produce a TRC obtained from the government of the country or specified territory and furnish certain prescribed particulars in Form 10F. In the event the Client cannot provide the TRC or the prescribed particulars, there can be no assurance that the Client will continue to qualify for, or receive the benefits of the Treaty.

**Exposure to Permanent Establishment (“PE”).** If for any reason a Client or Makrana is considered to have a PE in India, business income of such entity to the extent attributable to the PE would be subject to tax at the rate of 40% (exclusive of applicable surcharge and education cess) on net basis in India.

**Application of General Anti-Avoidance Rules in India.** The General Anti-Avoidance Rules (“**GAAR**”) under the IT Act would be applicable where the main purpose of an arrangement is to obtain a tax benefit. GAAR provisions empower the tax authorities to investigate any such arrangement as an “impermissible avoidance arrangement” and consequently disregard entities in a

structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa, and the like. By doing so, the tax authorities may even deny tax benefits conferred under a tax treaty. If the Indian tax authorities find a Client to have entered into an impermissible avoidance arrangement, a Client may be denied the benefits of the Treaty. This in turn could have an adverse impact on the tax liabilities of the Client and is likely have an impact on the returns to the investors.

**Changes to special regime for FPIs under India's domestic tax law.** Currently, the IT Act provides a special concessional tax regime for FPIs, as has been discussed below. However, there can be no assurance that this beneficial regime will continue and be in full force and effect during the commitment period of a Client. Possible changes to Indian tax laws including the specific concessional tax regime applicable to FPIs may have an adverse impact on the returns to the investors.

### **Legal and Regulatory Risks**

**FPI Investment Restrictions.** Indian investment restrictions may hinder a Client's investment program. Generally, under SEBI regulations and the foreign investment and exchange control regulations applicable to FPIs, certain ceilings or limitations may apply to qualifying investments for such entities. An FPI Client can invest only up to 10% of paid-up capital or 10% of the paid-up value of each series of convertible debentures of an Indian company. The investment of the Client is accordingly restricted to that extent which could impair the ability of Makrana to take higher exposure in better performing companies. Further portfolio investments in primary or secondary markets are subject to a ceiling of 24% of issued share capital for the total holdings of all registered FPIs, in any one company. The ceiling would apply to all holdings taking into account the conversions out of the fully and partly convertible debentures issued by the company. The limit can be extended if the general body of the corporate approves it, provided prior intimation about the increase is provided to RBI. Further, FPI investment may be also restricted as per the sectoral caps as prescribed by the Government of India and the RBI. There is a risk that a Client will be unable to secure, or only able to secure at significant cost, a sufficient quota in respect of relevant securities under prevailing regulations.

**Regulatory Risk and/or Risk of losing the FPI Status.** For a Singapore Client to invest directly in Indian securities, would need to maintain its registration as an FPI with a DDP with SEBI. The SEBI imposes various requirements or conditions that the FPI license-holder must fulfill in order to maintain the FPI registration. In addition, the FPI license granted by the DDP might be temporarily suspended or even withdrawn at any time by the SEBI or the DDP.

In particular, the FPI license can be suspended or withdrawn by SEBI in the case of non-compliance with the SEBI's requirements, or in the case of any acts or omissions of compliance with any Indian regulation. Hence, no assurance can be given that the FPI license of a Client will be maintained for any specified duration. Further, as per the FPI Regulations, a Client is required to renew its registration upon payment of requisite fee, every block of 3 (three) years.

There can be no assurance that a Client will continue to be registered with SEBI as an FPI. Under certain circumstances, such as a change in law or regulation or loss of FPI authorization, governmental regulation or approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors may be required.

If the FPI registration of a Client is revoked by SEBI due to / for any reason whatsoever, then it may significantly impede that Client's ability to make investments in India and it may have an effect on the existing instruments held by the Client.

**Updates to the SEBI.** FPIs are obliged, under the terms of the undertakings and declarations made by them at the time of registration, to immediately notify the SEBI and the DDP of any changes in the information provided in the application for registration. Failure by the FPIs to adhere to the provisions



of the SEBI Act and the rules made therein and the FPI Regulations renders them liable for the penalties prescribed under the SEBI Act and the Securities Exchange Board of India (Intermediaries) Regulations, 2008 which include, *inter alia*, imposition of a penalty and suspension or cancellation of the certificate of registration. Additionally, the SEBI has the power to request information or documents related to an entity's activities or status as a FPI.

**Repatriation of Dividend, Interest and Sale Proceeds.** Under the prevailing Indian foreign exchange regulations, investment capital and profits earned, including dividend, interest and sale proceeds, can be repatriated from India (less any applicable taxes).

There can be no assurance that the Indian Government will not, in the future, impose restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. In addition, if India were to re-introduce foreign exchange control regulations, the ability of a Client to repatriate the dividends, interest or other income from the investments or the proceeds from sale of securities could be impaired. Any amendments to the Indian exchange control regulations may have an adverse effect on Client performance.

## **ITEM 9 DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client or prospective client evaluation of Makrana's advisory business or the integrity of Makrana's management.

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

### **A. Broker-Dealer Registration Status**

Makrana and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

### **B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status**

At inception, Makrana will be considered an exempt commodity pool operator under Regulation 4.13(a)(3) under the Commodities Exchange Act. Given that Makrana will direct investments in financial instruments subject to the Commodities Exchange Act, Makrana will monitor such investments to stay within the exemption provided or will register as a commodity pool operator in the future.

### **C. Material Relationships or Arrangements with Industry Participants**

Makrana Advisors, LLP ("Makrana India") is an independent research advisor to Makrana and is not required to register with any regulatory body in India. Makrana India is 99.99% owed by Prabjhot Commar, brother to Sanjot Singh (Mickey) Commar. Makrana India will be providing research services to Makrana and the relationship between Makrana and Makrana Advisors would be deemed material.

### **D. Material Conflicts of Interest Relating to Other Investment Advisers**

See item 10. C. above.

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

**A. Code of Ethics**

Makrana has established a comprehensive Code of Ethics (the "Code of Ethics") which is distributed to each employee each fiscal year and updated periodically throughout the year as deemed necessary by Makrana. The Code of Ethics focuses on a wide range of important considerations including, but not limited to: outside activities, potential conflicts of interest, confidentiality, disciplinary matters, dealing with government and other regulatory bodies, personal trading, insider trading and prohibited transactions. Investors or prospective investors may request a copy of the Code of Ethics by contacting Makrana at the address or telephone number listed on the first page of this document.

**B. Securities in Which the Investment Adviser or a Related Person Has a Material Financial Interest**

On occasion, Makrana may, on behalf of the Clients, engage in cross trades. If Makrana determines that it is advisable to engage in such a cross trade, Makrana will (i) provide and document the rationale for the cross trade, and will ensure that the trade is in the respective best interest of the Clients involved; (ii) ensure that the transaction is consistent with the duty to obtain best execution; and (iii) rely on Makrana's valuation procedures to determine the appropriate price at which to effect the transaction. Makrana will receive no transaction-based compensation in connection with cross trades (other than incentive allocations/fees and management fees received in the ordinary course of business). To the extent a proposed cross trade may be viewed as a principal transaction due to the ownership interest in a Client by Makrana or its Advisory Personnel, Makrana will either not effect such transactions or comply with the requirements of Section 206(3) of Makranas Act, including that Makrana will notify the Clients (or an independent representative of the Clients) in writing of the transaction and obtain the consent of the Clients (or an independent representative of the Clients), or seek consent of Clients prior to executing a cross trade, as applicable.

**C. Investing in Securities That the Investment Adviser or a Related Person Recommends to Clients**

Makrana and its affiliates and their employees may invest for their personal accounts in securities or instruments in which the Clients are also invested. Makrana may also recommend to the Clients securities or instruments in which it or its affiliates or their employees are already invested. Conflicts of interest may arise if Makrana, its affiliates or employees recommend a particular transaction because of a financial interest held by any such person in such securities. As mentioned above in Item 11A, Makrana has implemented policies, relating to personal account trading by its employees, owners, directors and related persons designed to reduce, monitor and resolve conflicts of interest presented by such trading activities and to ensure such trading activities are carried out in accordance with applicable law and regulatory requirements. For example, Makrana's access persons are subject to Makrana's personal trading pre-clearance policy, which is designed generally to prevent access persons from transacting in certain securities of issuers at or about the same time that Makrana recommends the securities to the Clients.

Makrana has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as Client trades.

## **ITEM 12 BROKERAGE PRACTICES**

### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

Makrana has full discretionary authority to manage the Clients, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction and commissions or markups and markdowns paid. Makrana's authority is limited by its own internal policies and procedures and each Client's investment guidelines.

Portfolio transactions for each Client are allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. In selecting an appropriate broker-dealer to effect a trade, Makrana seeks to obtain best execution, taking into consideration the price of a security offered by the broker-dealer, as well as a broker-dealer's full range and quality of its services including, among other things, its facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to Makrana, brokerage and research services provided to Makrana (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

#### **1. Research and Other Soft Dollar Benefits**

Makrana Clients trade in the US securities markets. Should Makrana pay broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transaction) for effecting transactions on US markets in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Makrana will effect such transactions, and receive such brokerage and research products and services to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934 and subject to prevailing guidance provided by the SEC regarding Section 28(e).

#### **2. Brokerage for Client Referrals**

Neither Makrana nor any related person receives client referrals from any broker-dealer or third party. However, as discussed above, subject to best execution, Makrana may consider, among other things, capital introduction and marketing assistance with respect to investors in the Clients in selecting or recommending broker-dealers for the Clients.

#### **3. Directed Brokerage**

Makrana does not recommend, request or require that a Client direct Makrana to execute transactions through a specified broker-dealer.

### **B. Order Aggregation**

In the interest of best execution, Makrana will aggregate client accounts where such aggregation is consistent with the investment guidelines and restrictions for each Client. Costs and commissions shall be born pro rata between the Clients. In addition, Makrana has implemented an allocation policy based on pro rata purchases and sales based on the relative AUM of each Client, enabling Makrana to purchase across its Clients to minimize transaction costs for each Client while fairly allocating, consistent with its fiduciary obligation, to each of its Clients, taking into account investment strategy and restrictions for each Client.

## **ITEM 13 REVIEW OF ACCOUNTS**

### **A. Frequency and Nature of Review of Client Accounts or Financial Plans**

Makrana performs various periodic reviews of each Client's portfolio. Such reviews are conducted by the members of Makrana's management committee, portfolio managers and research associates.

### **B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

A review of a Client account may be triggered by any unusual activity or special circumstances.

### **C. Content and Frequency of Account Reports to Clients**

Makrana generally provides annual audited financial statements to its Client investors within 120 days of the applicable Client's fiscal year end. Investors in the Clients receive a periodic letter from Makrana documenting the performance of their Client, along with a commentary by Makrana, and a monthly fact sheet, although Makrana may provide certain investors with information on a more frequent and detailed basis if agreed to by Makrana. In addition, Makrana issues investors tax reports concerning their respective Clients within 120 days of the end of the Client's fiscal year.

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

### **A. Economic Benefits for Providing Services to Clients**

Makrana does not receive economic benefits from non-clients for providing investment advice and other advisory services.

### **B. Compensation to Non-Supervised Persons for Client Referrals**

Makrana and its affiliates do not currently have placement agents nor do they currently intend to engage any placement agents.

## **ITEM 15 CUSTODY**

Pursuant to MAS requirements, Makrana is deemed to have custody over its Client assets. It holds Client assets with qualified custodians, and distributes periodic and annual account statements through its independent administrator, SS&C Fund Services (Cayman) Ltd. and SS&C Fund Services (Asia) Pte. Ltd.

In addition Makrana subjects each Client to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and distributes Client audited financial statements to all investors within 120 days of the end of its fiscal year.

## **ITEM 16 INVESTMENT DISCRETION**

Makrana has entered into an investment management agreement, or similar agreement, with each Client with which it works pursuant to which the scope of discretionary investment authority is articulated. (See Items 4 and 10 for additional details.) It is deemed to have investment discretion over all of the Clients.

Makrana's specific investment decisions and advice with regard to any Client is subject to the Client's investment restrictions and guidelines which are set forth in the relevant Client's offering documents.

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

Rule 206(4)-6 under the Advisers Act requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with that rule, Makrana has adopted proxy voting policies and procedures (the "Proxy Policies"). The Proxy Policies provide that Makrana shall use reasonable care and diligence to monitor corporate events that call for exercise of a vote, and to cast votes in a manner that it believes is in the Clients' best interest and ultimately maximizes the value of the Clients' investments. While the decision whether or not to vote a proxy must be made on a case-by-case basis, Makrana generally does not vote a proxy if it believes the proposal is not material to the investment strategy employed on behalf of the relevant Client or the proposal is relating to issuers in which the size of the positions held on behalf of the relevant Client(s) is relatively small. In the situations where Makrana does vote a proxy, Makrana generally votes proxies in accordance with specified guidelines set forth in the Proxy Policies.

A full copy of the Makrana Proxy Policies are available upon request from Makrana at the contact address made available to investors in its OM.

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

Makrana is not required to include a balance sheet for its more recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual requirements to its Clients and has not been the subject of a bankruptcy petition at any time during the past 10 years.