



**VR ADVISORY SERVICES LTD**

**Part 2A of Form ADV: Firm Brochure**

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**This brochure provides information about the qualifications and business practices of VR Advisory Services Ltd. If you have any questions about the contents of this brochure, please contact us at +1 646 571 1870. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

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

**Registration with the SEC as an investment advisor does not imply a certain level of skill or training.**

## Material Changes

Part 2 of VR Advisory Services Ltd's Form ADV was last updated March 31, 2018.

Since last updated, we have: (i) updated our Investment Advisor Compliance Manual and Code of Ethics, (ii) promoted Jeffrey Johnson from Chief Operating Officer to Managing Partner, (iii) promoted Ashok Raju from Managing Director – Investor Relations/Business Development to Chief Operating Officer, (iv) promoted Oleg Obrezkov from Portfolio Manager to Senior Portfolio Manager, and (v) promoted Gustavo Palazzi from Portfolio Manager to Senior Portfolio Manager.

Please note that the foregoing addresses only those changes that we have determined to be material, and therefore, does not reflect all of the changes that have been made to this brochure since the last annual update. We encourage those interested to read this Form ADV Part 2A in its entirety.

## Table of Contents

1. Advisory Business.....	3
2. Fees and Compensation.....	4
3. Performance-Based Fees and Side-By-Side Management.....	6
4. Types of Clients.....	6
5. Methods of Analysis, Investment Strategies and Risk of Loss .....	7
6. Disciplinary Information .....	17
7. Other Financial Industry Activities and Affiliations .....	17
8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	18
9. Brokerage Practices .....	19
10. Review of Accounts .....	20
11. Client Referrals and Other Compensation.....	20
12. Custody.....	21
13. Investment Discretion.....	21
14. Voting Client Securities .....	21
15. Financial Information .....	22

## 1. **Advisory Business**

VR Advisory Services Ltd, founded in March 1999, is an investment services firm that provides investment management services to investors through pooled investment vehicles, or more specifically, hedge funds.

VR Advisory Services Ltd is itself advised by three affiliated sub-advisors established for operational and other purposes: (i) VR Advisory Services (USA) LLC, (ii) VR Advisory Services (UK) LLP, and (iii) OOO VR Advisory Services (RUS) (each, a “Relying Advisor”). VR Advisory Services Ltd is under common control with each Relying Advisor, as all four entities are ultimately controlled by VR Capital Holdings Ltd., and all of these affiliates are indirectly controlled by Richard Deitz, our founder and Fund Manager. Unless specifically noted otherwise, the responses to this Form ADV Part 2A combine information about VR Advisory Services Ltd and the Relying Advisors (together, “VR”).

Currently, VR Advisory Services Ltd provides investment management services by acting as the General Partner and Investment Advisor to three hedge funds, VR Global Partners, L.P., VR Global Offshore Fund Ltd., and VR Global Onshore Fund, L.P. VR Global Offshore Fund Ltd. and VR Global Onshore Fund, L.P. have invested substantially all of their respective assets in VR Global Partners, L.P., which is the “master fund” in a master-feeder structure with an actively-traded portfolio of assets. On behalf of these “clients,” we research, evaluate and execute investments in all kinds of assets including, but not limited to, debt and equity securities and derivatives, in accordance with the investment strategies set forth in the Private Offering/Placement Memorandums of the feeder funds.

We do not modify our securities recommendations to our clients according to the particular interests of our clients’ underlying investors, nor do we allow such “investors” to place restrictions on the trading we conduct for our clients.

From time to time, we enter into side letter agreements with certain investors that negotiate for such rights. Such side letters do not contain terms that would reasonably be expected to (i) create conflicts with our fiduciary duties to our clients’ and their underlying investors or (ii) provide any investor with more favorable treatment with regard to: (a) preferential economic terms or fees, (b) enhanced liquidity or redemption rights or (c) material transparency into our clients’ portfolios. One side letter agreement provides for additional transparency on a lag basis.

We do not participate in any wrap fee programs.

As of February 28, 2019, VR Advisory Services Ltd managed approximately \$5,204,600,000 in client assets on a discretionary basis (Regulatory Assets Under Management). Net asset value totaled approximately \$4,748,900,000. We do not manage any client assets on a non-discretionary basis.

## **2. Fees and Compensation**

VR receives compensation from our clients based both on the percentage of assets we manage and on performance achieved for our clients' accounts.

VR charges our clients an asset-based management fee based upon the net asset value equal to 1.5% per annum of each investor's capital account.

VR also charges a performance-based profit allocation equal to 20% of each investor's annual net realized and unrealized profits subject to a "loss carry forward" or "high water mark" limitation. This means that VR only receives a performance profit allocation when an investor's account value for the year has recovered any losses from all prior years.

VR's fees are not negotiable.

VR accrues asset-based management fees described above from each investor's capital account each month and deducts such fees quarterly from investors' accounts. VR accrues the performance-based compensation mentioned above from each investor's capital account monthly, if applicable, and these fees are crystallized at the end of each year, or whenever an investor is making a withdrawal, but only on the withdrawn amount.

In connection with our advisory services and pursuant to our clients' organizational documents, our clients, and consequently the investors in our clients, may bear all applicable organizational and operational costs and expenses arising in connection with the clients' operations, including:

- legal and compliance fees and expenses and any governmental, regulatory, licensing filing or registration fees;
- legal fees and costs (including settlement costs) of any litigation or regulatory investigation instituted against our clients or us in our capacity as general partner/investment advisor to our clients;
- accounting costs (including day-to-day advice, keeping of books and records, tax preparation and audit expenses);
- fund administration costs;
- liability insurance;
- applicable remuneration and expenses of any of our clients' Directors, Directors Committees, Advisory Committees or Investment Committees, and of the members thereof; and
- withholding and/or transfer taxes.

In connection with our advisory services and pursuant to our clients' organizational documents, our clients, and consequently investors in our clients, may also bear all

applicable expenses related to their investment activity in connection with both portfolio investments and prospective portfolio investments, such as:

- proxy expenses;
- interest and commitment fees on loans and debit balances;
- borrowing charges on securities sold short;
- custodial fees;
- brokerage commissions, trade processing fees (including clearing and settlement charges) and other transaction costs;
- travel expenses related to research and investment activity in connection with both portfolio investments and prospective portfolio investments;
- certain systems, informational and research fees, expenses and materials (including online news and statistics, pricing and quotation services), equipment, hardware and software;
- costs of any outside appraisers, accountants, attorneys, advisors or other experts or consultants engaged in connection with specific transactions;
- bank charges; and
- expenses related to underwriting, private placements and other ordinary miscellaneous research and trade-related expenses.

For more information on brokerage transactions and costs, please see Section 9: Brokerage Practices.

Investors in our clients are only allowed to withdraw capital at the end of each quarter. Accordingly, we will not charge or deduct fees from an investor's account for any period beyond a withdrawal date and, therefore, we avoid situations in which we would owe an investor a refund of any fees paid in advance.

Neither VR nor any of our personnel receive any transaction-based compensation for the sale of securities or other investment products, including charges or fees from the sale of mutual funds.

### **3. Performance-Based Fees and Side-By-Side Management**

As explained above in Section 2, VR receives a performance-based fee in the form of a profit allocation from investors in the hedge fund clients that we manage.

Since each client is subject to the same fee structure, we have no incentive to focus our efforts on accounts from which we receive performance-based compensation to the detriment of management fee only accounts.

### **4. Types of Clients**

VR Advisory Services Ltd provides investment advice to pooled investment vehicles, or hedge funds. The underlying investors in these funds are typically:

- Institutional investors and allocators;
- Endowments, foundations and other charitable organizations;
- Pension and profit sharing plans;
- Corporations, partnerships or other business entities (private banks, insurance companies, etc.);
- Family offices, trusts and estates; and
- High net worth individuals.

#### **Investment Requirements**

To invest in either VR Global Offshore Fund Ltd. or VR Global Onshore Fund, L.P., we generally require a minimum investment of \$1,000,000, although at times we may waive this requirement, provided investments in VR Global Offshore Fund Ltd. remain subject to Cayman Islands minimum requirements.

Interests in VR Global Offshore Fund Ltd. and VR Global Onshore Fund, L.P. are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the funds are not registered as “investment companies” under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, we require that U.S. investors in our hedge fund clients must meet the requirements for an “accredited investor” under the Securities Act and a “qualified purchaser” within the meaning of the Investment Company Act. Such investors must also meet the standards of a “qualified client,” as defined in the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”).

This brochure is neither an advertisement, an offer to sell, a recommendation, nor a solicitation of any offer to buy any securities or investment advisory services, including interests in any fund managed by VR Advisory Services Ltd.

## **5. Methods of Analysis, Investment Strategies and Risk of Loss**

### Methods of Analysis and Investment Strategies

On behalf of our hedge funds clients, we invest in a range of strategies encompassing distressed securities (both corporate and sovereign), special situations, value-oriented, relative value and arbitrage-oriented investment theses.

These investment strategies encompass securities in both emerging and developed markets, and we invest in a wide variety of instruments including bonds, loans and other claims, listed and unlisted equities, private securities, real assets, other pooled investment vehicles, repurchase agreements, futures, forwards, swaps, options and other derivative securities, and local currency and local interest rate products.

Historically, our greatest emphasis has been on distressed debt securities in emerging markets. While the degree of emphasis on distressed debt securities in our investment strategy at any given time will be a function of our estimation of the attractiveness of opportunities within the full range of strategies that we pursue, we believe as a general matter that distressed debt in emerging markets often enjoys very favorable investment characteristics. By focusing on debt that is trading at distressed levels, we attempt to identify situations in which claims can be purchased at a significant discount to their realizable value. In many respects, this approach bears significant similarities to a value investing approach used by certain equity investors.

Our general method of analysis of distressed securities begins with fundamental research into the particular issue. This fundamental research has three elements: 1) issuer fundamentals, 2) legal structure and creditors' rights, and 3) restructuring analysis, as outlined below:

- 1) *Issuer Fundamentals:* We attempt to determine the issuer's ability and willingness to service its obligations by considering questions such as: Does the issuer have a viable business model? Is the issuer generating sufficient cash flow for operating needs and/or debt servicing? Would the issuer take a business-like approach to negotiating with creditors if it could not service the instrument? What motivates the issuer to continue servicing the instrument? Is the issuer undertaking a debt buyback? Under what conditions would a buyback be contemplated? Is the issuer's business subject to political shifts or politically motivated interference?

We research these issues through a variety of sources. Issuer visits and ongoing dialogue with issuers provide a direct source of information. In addition, we may attempt to seek out corroborating information by contacting suppliers, customers, contractors, bankers and/or others who routinely interact with issuers. We also

review communications issued by, and maintain dialogues with, ministries of finance, central banks and other relevant agencies in many emerging market countries, as well as multilateral institutions such as the International Monetary Fund, the World Bank and the European Bank for Reconstruction and Development. We maintain contacts with think tanks, expert networks, consultants and independent analysts and economists throughout our regions of focus. Various banks and brokers provide additional research and assist in contacts with issuers. In doing so, we actively ensure that engaging with our research sources does not cause a conflict with the prospective source's duties of trust and confidence to third parties or raise the appearance of impropriety due to conflicts of interest. In this regard, our personnel are required to adhere to our Investment Advisor Compliance Manual, our Code of Ethics and the policies and procedures related to insider trading and the handling of material, non-public information ("MNPI") therein in order to provide us, and our clients, with further protection against the risk that in the course of such research, we may receive MNPI that might raise insider trading issues and restrict us from trading.

- 2) *Legal Structure and Creditor's Rights:* We examine the legal documents for securities or loans we consider for investment by the clients we manage. In the examination process, an analysis is made of the actual and perceived seniority of the claim. We analyze the remedies available in the event of default. We pay special attention to such issues as: jurisdiction of governing law, enforceability of judgments, rights of set-off, ability to attach assets of the issuer and the practical ability of a debt holder to disrupt business as usual for the issuer. We make use of both local and global legal counsel where appropriate in undertaking this analysis. We will also typically contact the issuer to discuss our legal analysis.
- 3) *Restructuring Analysis:* We model various restructuring scenarios for an issuer's debt and make an assessment as to the probabilities of various outcomes. Various return characteristics are evaluated, such as: yield to expected worst case, yield to anticipated outcome and yield to maturity. Particular attention is paid to the timing of cash flows from the instrument using benchmarks such as break-evens and payback periods. We heavily focus on worst case analyses and seek investments in which asset prices have fallen to levels below their value even in worst case restructuring outcomes.

For certain defaulted debts we may contact the issuer, debtors of the issuer, trading firms and/or customers of the issuer to explore opportunities to bilaterally negotiate offsets, swaps or buybacks. Where our clients purchase debt with the intention of entering into such an arrangement we will, as a general rule, seek to gain a high level of comfort that a transaction will be able to be consummated prior to committing capital to the instrument.

Complementing our fundamental research of distressed debt instruments, we maintain communications with securities dealers in major financial centers and local markets. We have access to the research and execution of the major brokerage houses as well as smaller, boutique firms specializing in emerging markets and distressed debts. We closely monitor



transaction flow in these markets in order to gauge overall market liquidity and to source and unwind positions. Our principal, Richard Deitz, and our other Senior Portfolio Managers have significant experience in executing trades in emerging market debt instruments.

While our investment strategy with regard to distressed securities is primarily geared towards debt instruments, we will tend to take a broad view of distressed investing. As a consequence, investments may be made in other elements of an issuer's capital structure including convertible bonds, equities and warrants. Further, investments may be made in securities that would not be considered distressed. We may engage in short-selling and use derivative instruments related to various asset classes for hedging or speculative purposes.

The foregoing description is general and is not intended to be exhaustive.

#### Risk of Loss

Our management of our clients' trading activities requires the exercise of our judgment. There is no assurance that our advice and methods will result in profitable trading or avoid losses. An investment in any of our hedge fund clients involves a number of significant risks and other considerations, and an investor could lose all or a substantial amount of its investment.

The following explanation of certain risks associated with an investment in our clients is not exhaustive, but rather highlights some of the more significant risks. The risk factors associated with an investment in each of our hedge fund clients are set forth in greater detail in the Private Offering/Placement Memorandum for each fund, which is sent to prospective investors in each fund. Prospective investors should thoroughly review and consider the risk factors set forth in the Private Offering/Placement Memorandum with financial, legal and/or tax advisors and conduct such due diligence as the investor and its advisors deem appropriate prior to making an investment in one of our hedge fund clients.

#### Certain general risks associated with any investment in our clients include:

*Investment Judgment and Market Risk.* The success of our investment programs depends, in large part, on our correctly evaluating future price movements of potential investments. We cannot guarantee that we will be able to accurately predict these price movements and that our investment programs will be successful.

*Investment and Trading Risk Generally.* Investments in securities and other financial instruments involve a degree of risk that the entire investment may be lost. The use of short sales and options trading can, in certain circumstances, substantially increase the impact of unfavorable price movements on our clients' investments. Also, changes in the general level of interest rates may negatively affect our clients' results.

*Dependence on Key Person.* The investment performance of our hedge fund clients will be substantially dependent on the services of Richard Deitz. In the event of the death, disability, or departure of Richard Deitz, the value of investors' investments in the funds may be adversely affected by the absence of the skills and experience provided by Mr.

Deitz in the management of the funds and its investment portfolio. The funds' Private Offering/Placement Memorandums contain a key person event provision which provides that in the event of the death, disability, or departure of Richard Deitz, the general partner/investment advisor will seek to ensure that all investors wishing to withdraw shall be able to do so in the shortest time possible, as determined by the general partner/investment advisor taking into account the interest of the funds as a whole.

*No Current Income.* Since our hedge fund clients do not anticipate paying distributions, an investment in the funds will not be suitable for investors seeking current income.

*Illiquidity of Investments.* The investments made on behalf of our hedge fund clients may be very illiquid and consequently, the funds may not be able to sell such investments at prices that reflect our assessment of their value or the amount paid for such investments by the funds. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the funds and other factors.

*Trading and Investment Activities Not Restricted.* The hedge fund clients we advise are not restricted to any material extent with respect to the trading and investment activities in which they may engage. Hence, it is literally impossible to predict all of the various risks which our clients may encounter in its pursuit of trading and investment opportunities.

*Developments in the Financial Services Industry.* Developments in global financial markets over the preceding few years illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty for the financial services industry. These developments have heightened the risks associated with the investment activities and operations of hedge funds. In addition, the passage, implementation and ongoing interpretation of regulatory reforms such as the Dodd-Frank Financial Reform Act (the "Dodd-Frank Act") in the U.S. and the Markets in Financial Instruments Directive II ("MiFID II") in Europe continue to impose many new requirements and restrictions on the financial services industry that may likely affect the business, operations and performance of hedge funds, such as increased reporting requirements, limitations on certain trading activity and regulatory oversight by different agencies. The implications of the passage of these regulatory reforms for the hedge fund industry as a whole still remain somewhat unclear. The hedge fund industry may continue to be adversely affected by the recent developments in the financial markets in the U.S., Europe and abroad, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader U.S. or European economies could have an adverse effect on our hedge fund clients' business, operations and performance.

The following is a description of the various strategies that we use in advising our clients and some important risks associated with each strategy:

*Use of Swaps and Other Derivatives.* We may make use of derivative instruments, or "derivatives," which include futures, forwards, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to,

one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, commodity, currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to risks associated with the counterparties with whom the funds enter into contracts for the purpose of making derivative investments. In the event of the counterparty’s default, the fund will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive. Some of the derivative contracts used by us may be centrally cleared, whereas others may be privately negotiated in the over-the-counter market. These transactions may involve significant transaction costs.

*Options.* We may invest in call and/or put options on behalf of our clients. There are risks associated with the sale and purchase of options. Call options are the right to buy a security at a certain price within a defined time period. Put options are the right to sell a security at a certain price within a defined time period. A buyer of either type of option assumes the risk of losing its entire investment in the option. A buyer of a call option risks losing its investment if the particular security never reaches the designated price within the set time period. A buyer of a put option risks losing its investment if the security that is subject to the option does not decline below the designated price within the set time period.

*Forward Contracts.* We may trade forward contracts in the interbank currency market on behalf of our clients. Forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. Trading in forward contracts is not regulated by any banking authority or other government agency. In addition, there is no limitation on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The imposition of credit controls by governmental authorities might limit forward trading to less than that which we would otherwise recommend, to the possible detriment of our clients.

*Short Sales.* We may enter into transactions, known as “short sales,” in which we sell a security a client does not own in anticipation of a decline in the market value of the security. Short sales that are not made “against the box” theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. We may mitigate losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, we might have difficulty purchasing securities to meet our client’s short sale delivery obligations, and might have

to sell portfolio securities to raise the capital necessary to meet the short sale obligations at a time when fundamental investment considerations would not favor such sales.

*Equities and Restricted Securities.* We may purchase equities or restricted securities from time to time on behalf of our clients as part of their investment program. Equities invested in by a client may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which a client may invest. In addition, relatively small companies in which we may invest on behalf of our clients may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize. Restricted securities owned by a client may involve special registration risks, liabilities and costs, and valuation difficulties.

*Hedge Fund Secondaries:* To a limited extent, we may acquire investments in underlying hedge funds managed by third-party investment managers, also known as “hedge fund secondaries.” These investments are highly illiquid, and there can be no assurance that our clients will be able to realize such investments in a timely manner. Our clients will hold these investments until the underlying funds are liquidated or otherwise will withdraw, sell or transfer their interests in these investments. The hedge fund secondaries typically have various withdrawal restrictions, such as gates or suspensions in place. Our clients generally would be required to obtain consent to sell or otherwise dispose of their interests in hedge fund secondaries and would be subject to restrictions and limits on such sales and dispositions. In addition, to the extent that our clients receive distributions in-kind from underlying hedge funds, whether in connection with the liquidation of such underlying hedge funds or otherwise, our clients may incur additional costs, risks and liquidity constraints associated with the disposal of such assets.

*Repurchase Agreements.* In the event of a bankruptcy or other default of a transferor of securities in a repurchase agreement, our clients could experience both delays in liquidating the underlying securities and losses, including: (a) a possible decline in the value of the collateral during the period while our clients seek to enforce their rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing their rights. In the case of default by the transferee of securities in a repurchase agreement, our clients run the risk that the transferee may not deliver the securities when required.

*Synthetic Securities.* We may purchase “synthetic securities” such as total return swaps in order to execute an investment strategy that would be impossible, difficult or inefficient to execute by purchasing separate securities due to complexity, transaction cost, lack of availability or regulatory reasons. In addition to credit risks associated with holding non-investment grade loans and high yield debt securities, a client buying synthetic securities will usually have a contractual relationship only with the counterparty of the synthetic securities and not the Reference Obligor (as defined below) on the Reference Obligation (as defined below). The client will not generally have any rights to directly enforce compliance by the Reference Obligor with the terms of the Reference Obligation

nor any rights of set-off against the Reference Obligor, nor have any voting rights with respect to the Reference Obligation. The client will not benefit directly from the collateral supporting the Reference Obligation or have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. In addition, in the event of insolvency of the counterparty the client will be treated as a general creditor of such counterparty and will not have any claim with respect to the credit risk of the counterparty as well as that of the Reference Obligor. As a result, concentrations of synthetic securities in any one counterparty subject the client to an additional degree of risk with respect to defaults by such counterparty as well as by the Reference Obligor. We may not perform independent credit analyses of the counterparties, any such counterparty, or an entity guaranteeing such counterparty, individually or in the aggregate. A "Reference Obligor" is the obligor on a Reference Obligation. A "Reference Obligation" is the debt security or other obligation upon which the synthetic security is based.

*Spread Trading Risks.* A portion of a client's trading operations may involve spreads between two or more positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These positions do, however, entail a substantial risk that the price differential could change unfavorably, causing a loss to the spread position.

*Arbitrage Trading.* A portion of a client's trading operations may involve arbitraging between the cash and derivatives markets in financial instruments. This means that we will, on behalf of our clients, purchase (or sell) financial instruments in cash markets (*i.e.*, on a current basis) and take offsetting positions in the futures or other derivative market in the same or related financial instruments. These offsetting positions are subject to the same risk of adverse price differentials outlined under "Spread Trading Risks" above.

*Analysis of Troubled, Distressed or Bankrupt Companies.* We may invest in securities of issuers that are troubled, in distress or bankrupt. As such, they are subject to a multitude of legal, industry, market, environment and governmental forces that make analysis of these companies securities inherently uncertain. Further, we may rely on company management, outside experts, market participants and personal experience to analyze potential investments for our clients. There can be no assurance that any of these sources will prove credible or that the resultant analysis will produce accurate conclusions.

*Bank Loans and Participations.* We may invest a significant portion of a client's assets in bank loans and participations. The special risks associated with these obligations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so-called lender-liability claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations and (iv) limitations on the ability of our clients to directly enforce their rights with respect to participations. We weigh the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks, absent bad faith, will be borne by our hedge fund clients, and ultimately the investors in our clients.

*Nature of Reorganization Proceedings.* Our strategy of investing in distressed and bankrupt companies may involve our clients in reorganization proceedings, which typically entail a number of risks that do not normally apply to investments in financially sound companies. For example, our evaluation of the anticipated outcome of a reorganization or the timing of the outcome should prove incorrect, a client could experience losses. A wide variety of considerations make any evaluation of the outcome of an investment in such a company uncertain. Considerations include, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others. The uncertainties inherent in evaluating these investments may be increased by legal and practical considerations which limit our access to reliable and timely information concerning material developments affecting a company or which cause lengthy delays in the completion of a reorganization or liquidation proceeding. Competition from other investors may also render it difficult or impossible for us to achieve intended results or promptly effect transactions.

*Interest Rate Risk.* A substantial portion of our clients' portfolios will be invested in fixed-income securities. The price of most fixed-income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed-income securities falls. If a client holds a fixed-income security to maturity, the change in its price before maturity will have little impact on the client's performance; however, if a client has to sell the fixed-income security before the maturity date, an increase in interest rates will result in a loss to the client.

*Inflation Risk.* A client's investments in fixed-income securities will also be subject to inflation risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if a client purchases a 5-year bond in which it can realize a coupon rate of 5 percent (5%), but the rate of inflation is 6 percent (6%), then the purchasing power of the cash flow has declined. For all but adjustable bonds or floating rate bonds, the client is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

*Currency, Convertibility and Exchange Rates.* We may invest a significant portion of a client's assets in securities denominated in currencies other than U.S. dollars. The value of these and the income from them, as measured in U.S. dollars, may be affected by fluctuations in currency rates (which may include significant devaluations, as against the U.S. dollar), and uncertainties such as changes in policies regarding foreign investment, taxation, restrictions on currency conversion and repatriation, and other developments in the laws and regulations of the economies in which we will invest. We may attempt to mitigate the risks associated with currency fluctuations by entering into forward, futures and options contracts to purchase or sell the currency of denomination of any investment held by a client and any other currencies held by that client to the extent these contracts are available on terms which we deem acceptable for the client. However, we are not required to do so.

*Foreign Investments.* Our historical focus on investing in foreign securities involves certain factors not typically associated with investing in U.S. securities, such as risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the funds are maintained) and the various foreign currencies in which a fund's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; and (iv) differences in legal protections and access to legal recourse for investors.

*Emerging Market Investing.* Our clients' investment programs have strong orientations towards distressed sovereign, sub-sovereign and corporate debt securities and loans of issuers in emerging market countries. The value of emerging market debt instruments may be drastically affected by political developments in the country of issuance. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on a client's investments, including nationalization, expropriation, imposition of confiscatory taxation or regulation or imposition of withholding taxes on interest payments.

The economies of many emerging market countries are still in the early stages of development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Also, many emerging market country economies have a high dependence on a small group of markets or even a single market.

Many emerging market countries lack a strong infrastructure. Telecommunications may be poor, and banks and other financial systems are not well developed or well regulated. Many countries have a limited supply of domestic savings, and businesses can experience difficulty in obtaining working capital. They may also have considerable external debt, which affects the proper functioning of their economies with a corresponding adverse impact on the performance of their markets. The frequent lack of a fair and economically-rational tax regime presents the attendant risk of sudden imposition of arbitrary or onerous taxes, which could adversely affect foreign investors.

Emerging market countries tend to have periods of high inflation and high interest rates as well as substantial volatility in interest rates. The value of emerging market debt can be expected to be extremely sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant issuer.

Emerging market debt issuers and their obligations are frequently not rated by any credit rating agency, and a significant proportion of these issuers and obligations would likely fall into the lowest rating categories if they were rated. A client's investments may be composed primarily of emerging market debt instruments that would be the equivalent of high yield "junk bonds" in the U.S. market.

In certain cases, the structures used to make trades in emerging market securities may be complex, entail significant counterparty exposure and/or be subject to legal and regulatory uncertainty under local law, even if the structures are commonly utilized in these jurisdictions.

Accounting, auditing and financial reporting standards in emerging market countries are generally not equivalent to those applicable in more developed countries and in some countries may be of virtually no assistance to an investor. The availability, quality and reliability of corporate information and equity research (including official data) is likely to be lower than that in respect of investments in developed markets. Obligations on companies in emerging markets to publish financial information may also be limited.

Foreign investment in emerging market countries is in some cases restricted. Many of these countries have non-convertible currencies, and the value of investments may be affected by fluctuation in available currency rates and exchange control regulations. The remission of profits or sale proceeds from certain investments may therefore be restricted, and a client may need to utilize swaps and other indirect investment techniques to access markets and remit profits. Moreover, the banking systems in these countries may not be as developed as their Western counterparts and considerable delays may occur in the transfer of funds within, and the remittance of monies out of, these countries.

Laws in certain emerging market countries regulating creditors' rights and corporate governance of domestic companies may not exist or may confer little protection on creditors. Disclosure and reporting requirements in general, from annual and quarterly reports to prospectus contents and delivery requirements, range from minimal to non-existent. Anti-fraud and anti-insider trading legislation is generally rudimentary. There may be no prohibitions or restrictions under local laws on the ability of management of emerging market issuers to terminate existing business operations, sell or otherwise dispose of company assets or otherwise undertake actions that may have a material adverse impact on the value of a client's investments. Redress for violations of duties of trust and confidence or of creditors' rights may be difficult in the absence of a properly functioning system of jurisprudence and many judicial concepts common to developed markets may be non-existent.

There are certain risks associated with the fact that there is a history of retroactive application of tax and other laws and regulations in many emerging markets. These risks include: (i) that tax and other laws and regulations in many emerging markets are poorly drafted, highly interpretative and may be unpublished or not widely distributed, (ii) that the tax treatment of gains and losses on derivative contracts and other investments may not yet be developed and (iii) that enforcement of tax and other laws may be unpredictable and arbitrary.

*Securities Markets in Emerging Market Countries.* A client may purchase and sell securities through the facilities of securities exchanges and markets located in emerging markets and may be required to effect such transactions through an account with a securities broker that is a member of these securities exchanges. Securities exchanges and their member firms may not be subject to levels of regulation equivalent to those applied



in developed markets. There can also be no assurance that the rules as may apply will be enforced at all or in a non-arbitrary manner. Clearing and settlement procedures on exchanges located in emerging market countries may be quite different from the procedures applicable in more developed countries, and it is possible that the procedures may lead to delays in settling transactions. Delays could cause a client to miss profit opportunities or to incur losses. In addition, it is possible that clearing and settlement mechanisms could fail or brokerage firms could fail, causing losses to a client. Regulations regarding the custody of securities and the enforcement of regulations may be lax. Costs for transactions on emerging markets are generally higher (possibly significantly higher) than comparable costs on developed markets and might also include the cost of obtaining a foreign currency.

## **6. Disciplinary Information**

There are no:

- legal or disciplinary events;
- criminal or civil actions, orders, judgments or decrees;
- pending criminal proceedings;
- administrative proceedings before the SEC, any other U.S. federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority; or
- self-regulatory organization proceedings,

that would be material to a current or prospective client or investor in its evaluation of VR's advisory business or the integrity of VR's management.

## **7. Other Financial Industry Activities and Affiliations**

As noted in Section 1 above, VR Advisory Services Ltd is itself advised by three Relying Advisors: (i) VR Advisory Services (USA) LLC based in New York, (ii) VR Advisory Services (UK) LLP based in London, and (iii) OOO VR Advisory Services (RUS) based in Moscow. Each of the Relying Advisors is involved in identifying and monitoring investments made on behalf of our clients. The Relying Advisors do not advise any entities unaffiliated with VR.

Neither VR, nor any of our directors, officers or principals is registered as a broker-dealer or a representative of a broker-dealer or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither VR, nor any of our directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above.

We do not recommend or select other investment advisors for our clients. However, the hedge fund clients we advise occasionally invest in other pooled investment vehicles when other means to gain exposure to a particular investment are limited and/or such structure offers a material discount to other means of gaining such exposure. In such instances the investors in our hedge fund clients bear the fees (including performance compensation, if any) charged by the investment advisors (or its affiliates) of the underlying vehicle in addition to the fees and other compensation charged by our hedge fund clients. We receive no compensation directly or indirectly from such investment advisors and have no material conflicts of interest.

## **8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Each of VR Advisory Services Ltd and its three Relying Advisors has adopted a single Code of Ethics and Personal Trading Policy (updated March 11, 2019) in accordance with SEC rule 204A-1. In addition to detailing our policies on outside activities, the receipt and giving of gifts, political contributions, personal relationships and charitable contributions, our Code of Ethics works to ensure that our personnel avoid any potential conflicts and ensure compliance with any applicable legal and regulatory requirements by requiring that, at all times, our personnel shall: (i) place the interests of our clients first, (ii) avoid taking inappropriate advantage of client positions, and (iii) conduct all personal securities trading in full compliance with our Code of Ethics. In brief, our Personal Trading Policy requires that all personal trades (with limited exceptions) made by VR personnel (including their immediate family and affiliated accounts) are subject to a pre-approval compliance review that screens for any potential conflict of interest between our personnel and our clients that may arise from the transaction. It also prohibits our personnel from trading in a security while the individual and/or VR are in possession of MNPI regarding that security.

Our Code of Ethics and Personal Trading Policy is available to any of our current or prospective clients or investors upon request.

VR's personnel do not recommend securities to our clients, nor do they buy or sell for our clients' accounts, securities in which we, they or our affiliates have a material financial interest.

Our affiliates and personnel may on occasion seek prior approval to buy or sell the same securities (or related securities or instruments, e.g., warrants, options, futures and other derivatives) for their own accounts that we buy or sell (or are under consideration) for our clients' accounts. Our affiliates and personnel may seek to make these transactions at or about the same time as we buy or sell (or consider) the securities for our clients' accounts. We believe that when our affiliates or personnel make the same investment with their own capital as those we execute on behalf of our clients this confirms their belief in the investment strategies that we employ on behalf of our clients. Nevertheless, we recognize these transactions may create a conflict of interest between the affiliate or our personnel and our clients, particularly when liquidity in the security or instrument is limited. Therefore, all such investments require the prior approval of both the Fund Manager and

VR's Chief Compliance Officer. Any such approval may be conditioned upon a number of factors, including but not limited to an extended holding period or other restrictions on the trading activity of our affiliates and personnel. Trades by our affiliates and personnel would generally not be aggregated with client trades and any exception must be approved by the Fund Manager in keeping with the principles of fiduciary responsibility and equitable allocation, in order to ensure that "the client comes first" and that personal trading activity will not affect the clients' ability to conclude similar transactions at the best price otherwise available.

## **9. Brokerage Practices**

We have complete investment and brokerage discretion over our clients' accounts. We select broker-dealers for our clients' securities transactions and determine the reasonableness of their compensation based on a number of factors. When determining our best execution strategy for a particular order, we will take into account the nature and characteristics of the order, the prevailing conditions within the market(s) in question and a range of other quantitative and qualitative execution factors, including, but not limited to, the following the:

- financial strength, reputation, integrity and stability of the broker-dealer;
- ability to effect prompt and reliable executions at favorable prices, including the applicable broker-dealer spread or commission, if any;
- likelihood of execution and settlement (in some cases, utilizing a particular broker may be the only means to execute a particular trade);
- operational efficiency or speed with which transactions are effected, taking into account the size of order, the liquidity of the security, the difficulty of execution and/or a broker-dealer's inventory;
- broker-dealer's proven expertise in a given security or market; and
- broker-dealer's ability to provide discretion and preserve the confidentiality of our trading activity.

We generally consider price as the primary determinant of best execution; however, this is not always determinative. Given the diversity of market structures and financial instruments that we encounter, it would be impractical to uniformly apply a single standard of best execution. For example, utilizing an executing broker that has specific knowledge of and expertise in certain markets can be effective for resolving market-specific liquidity issues, achieving settlement, and/or addressing foreign exchange concerns. Thus, different factors might have to be taken into account when assessing our best execution strategy in the context of different instruments and markets.

VR does not utilize research or other soft dollar benefits, nor do we consider referrals in selecting or recommending broker-dealers.

VR does not recommend, request or require that our clients or any investors in our clients, direct us to execute transactions through a specified broker-dealer. We do not permit our any clients or any investors in our clients to direct us to execute transactions through a specified broker-dealer.

We currently advise only one client with an active trading portfolio, VR Global Partners, L.P., our master fund. Our other clients, VR Global Offshore Fund Ltd., and VR Global Onshore Fund, L.P., are the offshore feeder fund and domestic feeder fund, respectively, to VR Global Partners, L.P. and do not actively trade their own portfolios. Therefore, we do not have a reason to aggregate orders or to allocate purchases and sales of securities among client accounts.

## **10. Review of Accounts**

Richard Deitz generally reviews VR Global Partners, L.P.'s account on a daily basis to ensure that the assets in its portfolio, including cash, are sold and re-allocated in a regular and timely manner.

International Fund Services (Ireland) Limited ("IFS") serves as our clients' fund administrator and provides our clients' underlying investors with monthly statements that contain information about each investor's account as well as a quarterly transparency report that confirms to investors that IFS has received verification from independent sources regarding the existence of assets held by VR Global Partners, L.P., the master fund, and their market value, and the extent to which such verification has not been received. We provide investors with monthly investor letters that contain a review of our clients' performance and provide summary portfolio statistics for the relevant month, and we host quarterly investor conference calls to review the performance of the relevant quarter. All of this information may be found in the IFS's secure investor login area which may be accessed via our website ([www.vr-capital.com](http://www.vr-capital.com)). We also furnish investors with annual audited financial statements and annual tax information (K-1) to assist U.S. investors in completing their tax returns. Investors in our clients should carefully review all of these statements, reports, letters and information.

## **11. Client Referrals and Other Compensation**

VR does not, nor do any principals or personnel of VR, receive any economic benefit from non-clients for providing advisory services to our clients.

VR does not, nor do any principals or personnel of VR, compensate anyone or any organization for client referrals.

## **12. Custody**

While it is generally VR's practice not to accept or maintain physical possession of our client's assets, we are deemed to have custody of its assets under Rule 206(4)-2 of the Advisers Act because we have the authority to obtain possession of our clients' assets and to access our clients' funds and deduct fees and expenses from our clients' accounts.

In order to comply with Rule 206(4)-2, we utilize the services of qualified custodians (as defined under Rule 206(4)-2) to hold our clients' assets. This applies to all of our clients' assets, other than when use of a qualified custodian is not required in accordance with an exemption under Rule 206(4)-2 and any related SEC guidance. In accordance with Rule 206(4)-2, we also (1) engage an outside auditor to audit our clients at the end of each fiscal year and (2) distribute the results of the audit in audited financial statements that are prepared in accordance with U.S. Generally Accepted Accounting Principles to all investors in our clients within 120 days after the end of their fiscal year. Investors in our clients should carefully review all of these results. Finally, we receive regular (mainly daily, but monthly at a minimum) account statements from our qualified custodians on behalf of our clients, which we compare with our own records.

## **13. Investment Discretion**

### Scope of Authority

VR Advisory Services Ltd accepts discretionary authority to manage our clients' securities accounts. Essentially, this means that we have the authority to determine, without obtaining specific consent from our clients or their underlying investors, which securities to buy or sell and the amount of securities to buy or sell. Despite this broad authority, we are committed to adhering to the investment strategy and program set forth in our clients' Private Offering/Placement Memorandums. Richard Deitz, our principal, regularly reviews our clients' accounts to ensure that we are observing our clients' investment strategy and objective.

### Procedures for Assuming Authority

Before accepting their subscriptions for interests, we provide all prospective investors in our clients with the appropriate Private Offering/Placement Memorandum that sets forth, in detail, our investment strategy and program. By completing our clients' subscription documents to acquire an interest in VR Global Offshore Fund Ltd. or VR Global Onshore Fund, L.P., investors give us complete authority to manage their investments in accordance with the Private Offering/Placement Memorandum they received.

## **14. Voting Client Securities**

VR has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act. VR receives all of our clients' proxies and similar solicitations and exercises the authority to vote proxies on behalf of our clients. It is our policy to cast proxy votes in a manner that we believe to be in the best interests of our clients and to ultimately maximize

the value of our clients' investments. Occasionally, we might not vote a proxy if: (i) we determine that the vote was not in doubt and/or the vote would require an unnecessary expenditure of time and incur unnecessary costs associated with reviewing the proxy materials or (ii) the relevant client is not eligible to vote or otherwise cannot vote in certain non-U.S. jurisdictions due to regulatory restrictions. When voting, VR generally gives significant weight to the views of the management of issuers we have supported.

We often cast proxy votes through institutional third-party service providers that process and distribute proxy materials, voting instructions and other investor information or by mailing in a hard copy of a proxy voting card in accordance with instructions provided by the issuer. Any third-party service provider that facilitates our proxy votes does not provide us with advice or recommendations in connection with proxy votes.

Neither our clients, nor investors in our clients, can direct us to vote client proxies in a certain manner.

If any material conflict of interest were to arise in connection with voting for our clients' securities, VR's senior management shall be consulted and shall make a final determination as to clients' proxy vote taking into account VR's fiduciary responsibilities. .

Upon request, any of our clients or investors can obtain (i) a copy of our proxy voting policies and procedures and/or (ii) information concerning proxy votes cast on behalf of our clients.

We maintain the following records relating to proxy voting in our offices:

- Copies of our proxy voting policies and procedures;
- Copies of proxy statements received for client securities;
- Records of proxy votes cast on behalf of our clients and any documentation material to voting proxies or memorializing proxy vote decisions; and
- Copies of written requests from investors for information on how we voted any proxies and our written responses to those investors.

## **15. Financial Information**

We do not require nor do we solicit prepayment of fees from clients or investors in our clients.

We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.

VR has never been the subject of a bankruptcy petition.



**VR ADVISORY SERVICES LTD**

**Part 2B of Form ADV:  
Brochure Supplement for Supervised Person**

**Richard Deitz**

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**March 31, 2019**

**This brochure supplement provides information about Richard Deitz that supplements the VR Advisory Services Ltd brochure. You should have received a copy of that brochure.**

**Please contact Thomas Ginakakis, Director – Investor Relations & Business Development, at + 1 646 571 1870 if you did not receive VR Advisory Services Ltd's brochure or if you have any questions about the contents of this supplement.**

## **1. Educational Background and Business Experience**

**Richard Deitz** was born in 1965 and is the founder of VRASL. He serves as the Fund Manager and is a member of the Valuation Committee. Prior to founding VRASL in March 1999, Mr. Deitz worked as managing director and head of fixed income trading at Renaissance Capital Group, a Moscow based investment bank. Mr. Deitz was a founding partner of Renaissance in April 1995. He received B.A. degrees, *magna cum laude*, in both history and economics from Yale University in 1987.

## **2. Disciplinary Information**

Mr. Deitz has not been, and is not currently, the subject of any material disciplinary actions.

## **3. Other Business Activities**

Mr. Deitz is not actively engaged in an outside investment-related business or occupation.

Mr. Deitz is not actively engaged in any other outside business or occupation for compensation.

## **4. Additional Compensation**

Mr. Deitz does not receive any economic benefits for providing advisory services to persons who are not our clients or investors in our clients.

## **5. Supervision**

As the Fund Manager of the investment advisor, Richard Deitz supervises the activity of all supervised persons on a day-to-day basis. Such supervision includes review and pre-approval of all material trading and hedging strategies and pre-approval of certain individual material trades executed by other supervised persons. Mr. Deitz also reviews regularly all portfolio and cash positions of our clients, usually on a daily basis.

All supervised persons, including Mr. Deitz, are responsible for carrying out their activity on behalf of clients in accordance with our Investment Advisor Compliance Manual, Code of Ethics and other policies and procedures. Our Chief Compliance Officer (Stephen Penner, +1 646 571 1870) is responsible for supervising compliance by all supervised persons with these policies and procedures.





**VR ADVISORY SERVICES LTD**

**Part 2B of Form ADV:  
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**Oleg Obrezkov**

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**March 31, 2019**

**This brochure supplement provides information about Oleg Obrezkov that supplements the VR Advisory Services Ltd brochure. You should have received a copy of that brochure.**

**Please contact Thomas Ginakakis, Director – Investor Relations & Business Development, at + 1 646 571 1870 if you did not receive VR Advisory Services Ltd’s brochure or if you have any questions about the contents of this supplement.**

## **1. Educational Background and Business Experience**

**Oleg Obrezkov** was born in 1981 and has been with VR since January 2005. As a Senior Portfolio Manager, he focuses on strategies in Europe, developed markets and other special situations and event-driven investments. He worked formerly as a research analyst in the macroeconomics department of the Institute for Open Economy (Moscow). He received an M.Sc. with honors in mathematics from Moscow State University in 2002, an M.A. in economics with a specialization in finance, *summa cum laude*, from the New Economic School (Moscow) in 2004, and a Ph.D. in mathematics from Moscow State University in 2005.

## **2. Disciplinary Information**

Mr. Obrezkov has not been, and is not currently, the subject of any material disciplinary actions.

## **3. Other Business Activities**

Mr. Obrezkov is not actively engaged in an outside investment-related business or occupation.

Mr. Obrezkov is not actively engaged in any other outside business or occupation for compensation.

## **4. Additional Compensation**

Mr. Obrezkov does not receive any economic benefits for providing advisory services to persons who are not our clients or investors in our clients.

## **5. Supervision**

As the Fund Manager of the investment advisor, Richard Deitz supervises the activity of Mr. Obrezkov and our other supervised persons on a day-to-day basis. Such supervision includes review and pre-approval of all material trading and hedging strategies and pre-approval of certain individual material trades executed by other supervised persons. Mr. Deitz also reviews regularly all portfolio and cash positions of our clients, usually on a daily basis.

All supervised persons, including Mr. Obrezkov, are responsible for carrying out their activity on behalf of clients in accordance with our Investment Advisor Compliance Manual, Code of Ethics and other policies and procedures. Our Chief Compliance Officer (Stephen Penner, +1 646 571 1870) is responsible for supervising compliance by all supervised persons with these policies and procedures.



**VR ADVISORY SERVICES LTD**

**Part 2B of Form ADV:  
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**David Thompson**

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**March 31, 2019**

**This brochure supplement provides information about David Thompson that supplements the VR Advisory Services Ltd brochure. You should have received a copy of that brochure.**

**Please contact Thomas Ginakakis, Director – Investor Relations & Business Development, at + 1 646 571 1870 if you did not receive VR Advisory Services Ltd's brochure or if you have any questions about the contents of this supplement.**

## **1. Educational Background and Business Experience**

**David Thompson** was born in 1967 and joined VR as a Senior Portfolio Manager in February 2009, following a 20-year career at Credit Suisse. Mr. Thompson held a series of management roles at Credit Suisse, most recently having run Front Office Risk for the Fixed Income and Equities divisions of the investment bank. Prior to that, Mr. Thompson ran the CDO group and the Emerging Market Credit Derivative Desk and co-ran the RVA Fund, a hedge fund which concentrated on relative value and arbitrage. He earned his B.A. degree, *summa cum laude*, in mathematics and economics from Yale University in 1989.

## **2. Disciplinary Information**

Mr. Thompson has not been, and is not currently, the subject of any material disciplinary actions.

## **3. Other Business Activities**

Mr. Thompson is not actively engaged in an outside investment-related business or occupation.

Mr. Thompson is not actively engaged in any other outside business or occupation for compensation.

## **4. Additional Compensation**

Mr. Thompson does not receive any economic benefits for providing advisory services to persons who are not our clients or investors in our clients.

## **5. Supervision**

As the Fund Manager of the investment advisor, Richard Deitz supervises the activity of Mr. Thompson and our other supervised persons on a day-to-day basis. Such supervision includes review and pre-approval of all material trading and hedging strategies and pre-approval of certain individual material trades executed by other supervised persons. Mr. Deitz also reviews regularly all portfolio and cash positions of our clients, usually on a daily basis.

All supervised persons, including Mr. Thompson, are responsible for carrying out their activity on behalf of clients in accordance with our Investment Advisor Compliance Manual, Code of Ethics and other policies and procedures. Our Chief Compliance Officer (Stephen Penner, +1 646 571 1870) is responsible for supervising compliance by all supervised persons with these policies and procedures.



**VR ADVISORY SERVICES LTD**

**Part 2B of Form ADV:  
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**Gustavo Palazzi**

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**March 31, 2019**

**This brochure supplement provides information about Gustavo Palazzi that supplements the VR Advisory Services Ltd brochure. You should have received a copy of that brochure.**

**Please contact Thomas Ginakakis, Director – Investor Relations & Business Development, at + 1 646 571 1870 if you did not receive VR Advisory Services Ltd's brochure or if you have any questions about the contents of this supplement.**

## **1. Educational Background and Business Experience**

**Gustavo Palazzi** was born in 1971 and has been with VR since September 2002. Mr. Palazzi is a Senior Portfolio Manager and focuses on investments in Latin America. A native of Buenos Aires, Mr. Palazzi previously worked in investment planning at Bidas (an Argentine oil and gas company; now PanAmerican Energy) as an energy equity analyst at Banco Republica and in the investment planning and commercial areas of Alto Parana (a major forest products company in Argentina; now Arauco Argentina). Mr. Palazzi graduated from Buenos Aires Institute of Technology, where he earned a B.Sc. in industrial engineering in 1994 and a M.Sc. in oil and gas economics in 1996. Mr. Palazzi also earned an MBA from the Wharton School of Business in 2002.

## **2. Disciplinary Information**

Mr. Palazzi has not been, and is not currently, the subject of any material disciplinary actions.

## **3. Other Business Activities**

Mr. Palazzi is not actively engaged in an outside investment-related business or occupation.

Mr. Palazzi is not actively engaged in any other outside business or occupation for compensation.

## **4. Additional Compensation**

Mr. Palazzi does not receive any economic benefits for providing advisory services to persons who are not our clients or investors in our clients.

## **5. Supervision**

As the Fund Manager of the investment advisor, Richard Deitz supervises the activity of Mr. Palazzi and our other supervised persons on a day-to-day basis. Such supervision includes review and pre-approval of all material trading and hedging strategies and pre-approval of certain individual material trades executed by other supervised persons. Mr. Deitz also reviews regularly all portfolio and cash positions of our clients, usually on a daily basis.

All supervised persons, including Mr. Palazzi, are responsible for carrying out their activity on behalf of clients in accordance with our Investment Advisor Compliance Manual, Code of Ethics and other policies and procedures. Our Chief Compliance Officer (Stephen Penner, +1 646 571 1870) is responsible for supervising compliance by all supervised persons with these policies and procedures.



**VR ADVISORY SERVICES LTD**

**Part 2B of Form ADV:  
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**March 31, 2019**

**This brochure supplement provides information about Bo Bazylevsky that supplements the VR Advisory Services Ltd brochure. You should have received a copy of that brochure.**

**Please contact Thomas Ginakakis, Director – Investor Relations & Business Development, at + 1 646 571 1870 if you did not receive VR Advisory Services Ltd's brochure or if you have any questions about the contents of this supplement.**

## **1. Educational Background and Business Experience**

**Bo Bazylevsky** was born in 1969 and joined VR as a Senior Portfolio Manager in May 2016. Mr. Bazylevsky was most recently a Managing Director in the Global Markets Latin American Credit Trading unit at Bank of America Merrill Lynch. Prior to this role, he served as a Partner and Portfolio Manager at James Caird Asset Management, as a Managing Director and Portfolio Manager in Lehman Brothers' Global Principal Strategies team, as a Managing Director and Global Head of EM Corporate Trading at JPMorgan, and as a Managing Director and Head of Emerging Markets Corporate Trading at Bear Stearns. Prior to his return to the financial industry in 2014, Mr. Bazylevsky served as President and COO of music-tech startup, Zya, which he co-founded in 2008. Mr. Bazylevsky earned a B.Sc. in Agricultural Business Management and Marketing from Cornell University in 1991.

## **2. Disciplinary Information**

Mr. Bazylevsky has not been, and is not currently, the subject of any material disciplinary actions.

## **3. Other Business Activities**

Mr. Bazylevsky is not actively engaged in an outside investment-related business or occupation.

Mr. Bazylevsky is not actively engaged in any other outside business or occupation for compensation.

## **4. Additional Compensation**

Mr. Bazylevsky does not receive any economic benefits for providing advisory services to persons who are not our client or investors in our client.

## **5. Supervision**

As the Fund Manager of the investment advisor, Richard Deitz supervises the activity of Mr. Bazylevsky and our other supervised persons on a day-to-day basis. Such supervision includes review and pre-approval of all material trading and hedging strategies and pre-approval of certain individual material trades executed by other supervised persons. Mr. Deitz also reviews regularly all portfolio and cash positions of our clients, usually on a daily basis.

All supervised persons, including Mr. Bazylevsky, are responsible for carrying out their activity on behalf of our client in accordance with our Investment Advisor Compliance Manual, Code of Ethics and other policies and procedures. Our Chief Compliance Officer (Stephen Penner, +1 646 571 1870) is responsible for supervising compliance by all supervised persons with these policies and procedures.