



Arohi Asset Management Pte Ltd ("Arohi")

Form ADV Part 2

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This brochure provides information about the qualifications and business practices of Arohi Asset Management Pte. Ltd. If you have any questions about the contents of this brochure, please contact us at (65) 6535 6171. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Arohi Asset Management Pte. Ltd. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Since the last annual update of this brochure on June 12, 2018 there have been no material changes to this brochure.

Item 3. Table of Contents

Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	5
Item 6.	Performance-Based Fees and Side-by-Side Management	7
Item 7.	Types of Clients	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9.	Disciplinary Information.....	25
Item 10.	Other Financial Industry Activities and Affiliations.....	25
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	27
Item 12.	Brokerage Practices.....	29
Item 13.	Review of Accounts	29
Item 14.	Client Referrals and Other Compensation	30
Item 15.	Custody	30
Item 16.	Investment Discretion	30
Item 17.	Voting Client Securities	30
Item 18.	Financial Information.....	31

Item 4. Advisory Business

Arohi Asset Management Pte Ltd (“Arohi,” the “firm” or “we”), a Singapore incorporated private limited company, was founded by Baburaj Pillai in January 2006 (legal incorporation date) and started operations in April 2006. Arohi holds a Capital Markets Services Licence to conduct fund management activities under the Securities and Futures Act administered by Monetary Authority of Singapore (MAS) in Singapore. Arohi is also registered as a Foreign Adviser, Portfolio Manager, in the province of Ontario, Canada.

Arohi is a private limited company which is based in Singapore. It has no branch or affiliate offices. Arohi’s primary office location is Singapore. All employees reside and work out of the office in Singapore. At the present time, Arohi is owned 75% by Baburaj Pillai, while the remaining 25% is owned by team members of Arohi.

Advisory Services

Arohi provides discretionary investment advisory services to private investment funds and separately managed accounts. Certain of the private funds were formed by or at the direction of Arohi (the “funds”). Most of our fund investors and separate account clients are long term institutional investors like university endowments, foundations, pension/sovereign funds and family offices.

Arohi manages only one kind of mandate – bottom-up, stock picking portfolios investing in Asian equities focused on absolute returns. Arohi does not short stocks. The business model is premised on seeking to generate investment performance by building portfolios of good businesses run by good people purchased at reasonable prices. Our philosophy is to create value for our clients and investors by building a bottom-up stock portfolio.

The funds do not offer their interests to the public. Fund interests are offered only in private placements to qualified investors. The detailed terms applicable to investors in the funds are contained in the funds’ organizational documents and described in each fund’s placing memorandum.

The investment strategies we employ on behalf of the funds and the separate accounts are described in greater detail below at Item 8 and in the offering documents of the funds.

Investors in the funds generally do not have any ability to restrict the investment of the funds, although under limited circumstances we may agree with a particular investor that such investor will not participate in certain categories of investment made by a fund. In circumstances where the separate account investors may not be able to participate in a specific country, on account of self-imposed restrictions, one or more of the strategies, which may be replicated across all accounts, will continue to be executed without any changes but with no allocation of securities of the restricted country to the separate account.

Separate account investors have greater flexibility to impose restrictions on types of investments or investment strategies.

Assets under Management

As of 31st March 2019, Arohi managed approximately \$945 million, solely on a discretionary basis, including both the funds (dedicated Asia excluding Japan and dedicated India) and separate accounts.

Item 5. Fees and Compensation

Fees

Management Fees

The funds pay Arohi a monthly management fee in arrears equal to one twelfth of 1 per cent of the month-end Net Asset Value of the funds (pro-rated for periods of less than one month), accrued daily and calculated as at each valuation date. The management fee is payable within 14 days after the relevant month-end valuation date.

Arohi also offers a variable benchmark product with a monthly management fee (paid quarterly in arrears) equal to one twelfth of 0.50% of the market value of the account (minimum investment \$20 million).

The details of how the fees are calculated for the separate accounts and paid by clients are included in the investment advisory / management agreement for each separate account. These fees will vary in certain instances from the fees paid by the funds.

Performance Fees

Arohi is also entitled to receive a performance fee from the funds calculated on a share-by-share basis so that each participating share is charged a performance fee that equates precisely with that participating share's performance. This method of calculation ensures that (i) any performance fee paid to Arohi is charged only to those participating shares which have appreciated in value above the high water mark and hurdle rate, (ii) all holders of participating shares have the same amount of capital per participating share at risk in the funds, and (iii) all participating shares have the same net asset value per participating share.

A "Performance Period" for each participating share is a period commencing on the initial date the Participating Share is issued and ending at the close of business on the first to occur of (1), (2) or (3) below, and thereafter, is each period commencing as of the day following the last day of the preceding Performance Period for the participating shares and ending as of the close of business on the next to occur of (1) each 31 December; (2) the date the participating share is redeemed; or (3) the day as of which the fund registers the transfer of the participating share to a transferee approved by the directors of the fund.

For each Performance Period, the performance fee in respect of each participating share will be equal to 20 per cent of the appreciation in the net asset value per participating share during that

Performance Period above the highest net asset value per participating share. The performance fee in respect of each Performance Period will be calculated by reference to the net asset value before deduction for any accrued performance fee.

Arohi is also entitled to a performance fee with respect to the variable benchmark product, equal to 20% of the amount by which performance exceeds the benchmark returns plus 2%.

The details of how the performances fees are calculated for the separate accounts and paid by clients are included in the investment advisory / management agreement for each separate account. These fees will vary in certain instances from the calculation methodology and/or rates paid by the funds.

If the management agreement between the fund and Arohi is terminated before 31 December in any year the performance fee in respect of the then Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

General

Further details of how fees are calculated for the funds are included in the offering documents of the funds.

The details of how the fees are calculated for the separate accounts are included in the investment management / advisory agreement for each separate account.

The fees payable by the funds are deducted from the assets of the funds and paid to us. Our fees for the separate accounts are billed to the client in line with the relevant investment management / advisory agreement.

Expenses

Arohi and the funds' administrator are responsible for providing and paying for all office personnel, office space and office facilities required for the performance of their respective services to the funds.

The funds bears all of their operating and administrative expenses, including all fees payable by the funds to Arohi, the funds' custodian and the administrator, and all fees payable to third parties and other expenses (other than those to be borne by Arohi) incurred in its operations including, but not limited to, fees, taxes, expenses for legal, auditing and consulting services, promotional expenses, registration fees, insurance premiums in respect of directors' and officers' liability insurance, renewal fees and other expenses due to supervisory authorities in various jurisdictions, the costs of publishing the net asset value and the costs of printing and distributing the annual and any periodic reports and statements.

Each feeder funds bears its pro rata share of the master fund's operating expenses and costs of the nature described above which include, but are not limited to, brokerage and execution charges, commissions, custodial charges, fees for quotation and other data services, and any consulting and software licensing fees related to risk management and portfolio management systems.

Illustrated below are some of the expenses for the funds:

1. Director's fees.
2. Administrator / custodian's fees.
3. Auditor's fees.
4. Local tax advisor fees (India, Taiwan & US (applicable only to the US feeder)).
5. Brokerage relating to the funds' investments (purchase / sales).
6. Regulatory filing fees (Cayman Island, India FII Sub-Account etc).

Please note, expenses relating to conducting primary due diligence on investee companies, for example travel costs to meet management, or other costs relating to the due diligence (broadly described as primary company / industry due diligence) are borne by Arohi and not by the funds or separate accounts.

Item 6. Performance-Based Fees and Side-by-Side Management

As described in Item 5 above, we receive part of our compensation from the funds and separate accounts in the form of performance-based fees.

Item 7. Types of Clients

We generally provide investment advice to private investment funds and institutional separate accounts. Most of our fund investors and clients are long term institutional investors like university endowments, foundations, pension/sovereign funds and family offices.

The current minimum size for a separate account that we will advise is generally \$200 million. The funds each have a minimum initial investment amount of \$5 million. Additional investments to any of the funds must be in increments of \$1 million. These minimums may be reduced or waived by the general partner or boards of directors of the funds, subject to any applicable statutory minimums.

Client Composition

Detailed below is the composition of investors in funds managed by Arohi and direct clients (excluding the funds themselves) of Arohi as at 31st March 2019.

Geography	% of AUM
North America and Canada	57.75%
Asia Pacific (includes Singapore)	41.66%
Europe	0.59%

Type of Investors	% of AUM
Sov & Pension Fund	41.72%
Endowment	50.52%
Internal Capital	5.84%
High Net Worth	1.87%
Others	0.04%

Note: Internal Capital represents the investment made by Arohi Asset Management Pte. Ltd. and its employees.

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

Investment Strategies

Arohi's primary investment strategy is to invest in securities that, in our opinion, are available at a price below their intrinsic value, as we determine based on fundamental analysis. The fundamental analysis involves, among other things, researching industry fundamentals and company due diligence using in-house and external sources of data and information. We will analyse each security on a bottom-up basis and will not apply any predetermined formulae for stock selection. By doing fundamental due diligence on the company, we believe that we can appraise the approximate value of each investment. We will then attempt to buy such securities at a sufficient margin of safety to the appraised value. We will sell an investment when we believe that the risk to reward is no longer favourable or when we find another investible idea with significantly superior risk to reward profile.

Investment Mandates

Countries

The investment objective for the funds and separate accounts (together, the "client accounts") is to generate long-term returns by investing in Asian equities. We currently have two strategies; dedicated Asia excluding Japan (the "Emerging Asia Strategy") and dedicated India (the "Emerging India Strategy").

For our Emerging Asia Strategy, we mainly focus on investing for the client accounts in securities in China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand. In addition, we may invest in equities of companies operating and listed in other countries in the Asia-Pacific region.

For our Emerging India Strategy, we mainly focus on investing for the client accounts in listed Indian equities (including equity-related assets) of Indian companies and in listed equity of companies which derive a significant portion of their revenue from India.

Investment Process

Our investment process involves conducting bottom-up business analysis on the companies in which we might make a potential investment. The investment professionals, upon gaining a good understanding of the company may develop specific models that enable them to understand the Free Cash Flow (FCF) and ROIC generated by the business. The objective of the model is mainly to understand the drivers of the FCF and the sensitivities of the FCF to the various business drivers (foreign exchange, raw material prices, other input costs, *e.g.*, labour, etc.). The intrinsic value estimate helps crystalize potential investment in the business. It is also possible that the entire due diligence on a company may result in no investment being made as a result of management / business discomfort or valuation.

Often, the terminal conclusion of the entire investment analysis may well lead to a rejection of a business idea for a potential investment.

Risks Associated with Our Investment Strategies

There is a high degree of risk associated with Arohi's strategies, and an investor should invest in the funds or establish a separately managed account only after consultation with independent qualified sources of investment and tax advice. Investment with our strategies is suitable only for persons that can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following risk factors associated with our strategies:

Potential Loss of Investment. No guarantee or representation is made that our investment program will be successful. Prospective investors should be aware that the value of the securities in which we invest will fluctuate. As is true of any investment, there is a risk that an investment using our strategies will be lost entirely or in part. The strategies are not a complete investment program and should represent only a portion of an investor's portfolio management strategy.

Investment Strategies. Our strategies can be considered speculative in that we will seek to anticipate movements in the price level or volatility of individual securities, market segments and the financial markets as a whole and to position the client account investments to benefit from such expected movements. Successful implementation of the strategies requires accurate assessments of general economic conditions, the prospects of individual companies or industries, and the future behaviour of other financial market participants. Even with the most careful analysis, the direction of the financial markets is often driven by unforeseeable economic, political and other events and the reaction of market participants to these events. There can be no assurance that our strategies will be successful and an unsuccessful strategy may result in significant losses to the client accounts.

Decisions Based Upon Fundamental Analysis may not Result in Profitable Trading. We will use a fundamental, research-oriented approach. The risk of such fundamental analysis is that it may not result in profitable trading because we may not know all factors affecting a particular investment or hedging instrument. These unknown factors may, or may not be, reflected in our past performance, and may affect the future performance of the client accounts.

American Depositary Receipts (“ADRs”) and Global Depositary Receipts Risks. ADRs are stocks that trade in the United States but which represent a specified number of shares in a foreign corporation. ADRs are bought and sold on U.S. stock exchanges. Investors should note that ADRs are subject to the political risk of the home country of the underlying foreign corporation, exchange rate risks and other economic risks pertinent to such foreign corporations to which the ADRs relate.

Derivatives. Our investments may include derivatives. The risk of investing in derivatives depends on the terms attached to them and on the volatility of the financial markets on which they are traded. Because over-the-counter (“OTC”) derivatives—such as options—are customized transactions, they often assemble risks in complex ways. This can make the measurement and control of these risks more difficult and create the possibility of unexpected loss. As the viability of exercising options depends on the market prices of the securities to which they relate, it may be the case that we from time to time consider it not viable to exercise certain options held by the client accounts within the prescribed period, in which case any costs incurred in obtaining the options will not be recoverable. The prices of derivatives contracts are volatile and may be influenced, among other things, by actual and expected changes in the underlying security or securities index or in interest rates and currency exchange rates, which are in turn affected by fiscal and monetary policies and national and international political and economic events. Due to the relatively low margin deposits required, futures trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a derivatives contract may result in an immediate and substantial loss, or gain, to the client accounts.

The primary risk with derivative investments is that their use may amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative instrument. Derivatives involve special risks, including: (1) the risk that interest rates, securities prices and currency markets will not move in the direction that we anticipate; (2) imperfect correlation between the price of derivative instruments and movements in the prices of the securities, interest rates or currencies being hedged; (3) the fact that skills needed to use these strategies are different than those needed to select portfolio securities; (4) the possible absence of a liquid secondary market for any particular instrument and possible exchange imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired; (5) the risk that adverse price movements in an instrument can result in a loss substantially greater than the client account’s initial investment in that instrument (in some cases, the potential loss is unlimited); (6) particularly in the case of privately negotiated instruments, the risk that the counterparty will not perform its obligations, which could leave a client account worse off than if it had not entered into the position; and (7) the inability to close out certain hedged positions to avoid adverse tax consequences.

Operational Risk / Derivatives. Operational risk is the risk of losses occurring because of inadequate systems and control, human error, or management failure. These risks also exist in securities and credit businesses. The complexity of derivatives, however, requires special emphasis on maintaining adequate human and systems controls to validate and monitor the transactions and positions.

Forward Contract. A forward contract obligates one party to buy, and the other party to sell, a specific underlying at a specific price, amount, and date in the future. Forward contracts create credit exposure. Since the value of the contract is conveyed only at maturity, the parties are exposed to the risk of default during the life of the contract. The credit risk is two-sided. Only the party for whom the contract has a positive mark-to-market value can suffer a loss; but, since either party can ultimately end up in this situation, each party must evaluate the creditworthiness of its counterparty. The client accounts are exposed to the risk of any credit default, resulting from either failure on the part of the client accounts or that of the counterparty to any forward contract with the client accounts.

Stock Indices and Related Derivatives. The use of options on stock indices and stock index futures contracts as hedging devices involves several risks. No assurance can be given that a correlation will exist between price movement in the stock index and price movements in the securities that are the subject of the hedge. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange. In addition, although the firm intends to enter into futures contracts only if an active market exists for the contracts, no assurance can be given that an active market will exist for the contracts at any particular time. Certain exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond a certain set limit. If prices fluctuate during a single day's trading beyond those limits, client accounts could be prevented from promptly liquidating unfavourable positions and thus be subject to losses.

Swaps and Other Hedging Positions. The client accounts may use swaps, which are types of derivatives, and other hedging positions to increase total return. A swap is a contract under which two parties agree to make periodic payments to each other based on specified interest rates, an index or the value of some other instruments, applied to a stated, or "notional", amount. Swaps can be classified generally as interest rate swaps, currency swaps, commodity swaps or equity swaps, depending on the type of index or instrument used to calculate the payments. In addition to swaps, a client account may become a party to various other customized derivative instruments entitling the counterparty to certain payments on the gain or loss on the value of an underlying or referenced instrument. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk.

Moreover, to the extent that options, swaps, swaptions and other derivative instruments are used by the client accounts, it should be noted that they inherently contain much greater leverage than does a non-margined purchase of the underlying security, or instrument in as much as only a very small portion of the value of the underlying security, commodity, or instrument is required to be paid to effect such investments.

While certain interest rate and credit default swaps have been made available to trade through swap execution facilities in the United States and these swaps and various other swaps are subject to centralised clearing, many swap contracts are still traded on OTC markets and are subject to individual negotiation with OTC dealers. There is no limitation on the daily price movements of swap contracts, and a dealer is not required to continue to make markets in such contracts. There have been periods during which OTC dealers have refused to quote prices for swap contracts or

have quoted prices with an unusually wide spread between the bid and asked prices. Arrangements to trade certain swap contracts may therefore experience liquidity problems.

The execution and clearing of swap contracts generally will bring additional costs for the processing, administration, clearing and reporting of trades.

FX Forward Contract Trading. A portion of the assets in client accounts may be traded in FX forward contracts. Such transactions involve a variety of significant risks. The specific risks presented by a particular FX forward transaction necessarily depend upon the terms of the transaction and individual circumstances of the investor and its counterparty. In general, however, all forward transactions involve some combination of market risk, counterparty risk, funding risk and operational risk.

FX Forward contracts generally are traded on OTC markets and subject to individual negotiation with OTC dealers. Moreover, generally there is no direct means of "offsetting" or closing out a bilaterally held FX forward contract by taking an offsetting position as one would in a cleared contract. If the firm determines to close out a bilaterally held FX forward position for a client account, it will establish an opposite position in the contract. Generally, a position in a bilaterally held FX forward contract that has been offset at a profit will not receive such profit until the value date of the position, whereas bilaterally held FX forward position that has incurred, or has been offset at, a loss will require instant and full collateralisation of the loss. There is no limitation on the daily price moves of FX forward contracts, and a dealer is not required to continue to make markets in such contracts. There have been periods during which dealers have refused to quote prices for FX forward contracts or have quoted prices with an unusually wide spread between the bid and asked price. Arrangements to trade FX forward contracts may therefore experience liquidity problems. In recent years the terms of FX forward contracts have become more standardized, and in some instances such contracts now provide a right of offset or cash settlement as an alternative to making or taking delivery of the underlying. Generally, at present the non-cleared FX forward market is a "principals' market", in which the performance with respect to such contracts is the responsibility of the counterparty to the contract, and not of any exchange or clearing house. Client accounts therefore will be subject to the risk of significant losses due to credit failure or the inability of or refusal of dealers or clearing brokers to perform with respect to such forward contracts.

Risks of Trading Non-Deliverable FX Forwards. A special type of FX forward contract is a Non-Deliverable Forward contract ("NDF"). An NDF is a forward transaction in a non-convertible or restricted currency, which is settled against a freely convertible currency. All NDFs have a fixing date, whereby the trade is fixed at a settlement price one or two days prior to the value date of the trade, depending upon the currencies traded. This is done regardless of whether or not the trade has been offset.

When trading NDFs there are certain unique risks inherent in such transactions including, but not limited to, a "Disruption Event". The risk associated with such an event is that the amount due by a client account on the settlement date may vary due to the occurrence of such event, which would force the parties to the transaction to find an alternative basis for determining the settlement amount. Disruption Events that may occur with NDF transactions include, but are not limited to, general or specific default, inconvertibility, non-transferability and nationalization. If on any date upon which

an NDF transaction is to be valued there has been or is continuing a Disruption Event, the settlement amount to be delivered may be adjusted by the counterparty, acting in good faith and in a reasonable manner. Such adjustments will result in changes to the prices at which such transactions were effected and such changes could be material.

The fixation of a trade at a settlement price, the determination of whether a Disruption Event has occurred and the settlement amount associated therewith are beyond the control of the firm and the separate accounts.

Furthermore, in view of the specific characteristics of trading NDFs, usually a higher margin than for other forward contracts is required.

Futures Contracts and Foreign Exchange. The risk of loss in trading futures contracts, options, foreign exchange and leveraged foreign exchange transactions can be substantial. In particular:

1. If a client account purchases or sells a futures contract or leveraged foreign exchange transaction, such client account may sustain a total loss of the client account's position. If the market moves against the client account's position, the client account may be called upon to deposit a substantial amount of additional margin funds on short notice in order to maintain its position. If the client account does not provide the required funds within the specified time, its position may be liquidated at a loss, and the client account will be liable for any resulting deficit in its account.
2. Under certain market conditions, a client account may find it difficult or impossible to liquidate a position.
3. The placement of contingent orders by a client account or the firm authorised by the client account, such as a "stop-loss" or "stop limit" order, will not necessarily limit such client account's losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders.
4. A "spread" position may not be less risky than a simple "long" or "short" position.
5. The high degree of leverage that is often obtainable in futures and leveraged foreign exchange trading can work against a client account as well as for a client account. The use of leverage can lead to large losses as well as gains.

Client accounts are subject to substantial charges for management and advisory fees. It may be necessary for a client account to make substantial trading profits to avoid depletion or exhaustion of its assets.

Debt Securities. Client accounts may invest in fixed income securities which may be unrated by a credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Client accounts may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. Client accounts may

invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Client accounts may therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk from debt securities involves uncertainty because credit-rating agencies throughout the world have different standards, making comparisons across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Risks Relating to Credit Default Swaps, Other Credit Derivatives and Synthetic Securities.

Client accounts may make investments in credit default swaps, total rate of return swaps or other credit derivatives. These transactions generally provide for the transfer from one counterparty to another of certain credit risks inherent in the ownership of a financial asset such as a bank loan or a high-yield debt security. Such risks include, among other things, the risk of default and insolvency of the obligor of such asset; the risk that the credit of the obligor or the underlying collateral will decline or that credit spreads for like assets will change (thus affecting the market value of the financial asset). The transfer of credit risk pursuant to a credit derivative may be complete or partial, and may be for the life of the related asset or for a short period. Credit derivatives may be used as a risk management tool for a pool of financial assets, providing the client accounts with the opportunity to gain exposure to one or more reference obligations without actually owning such assets in order, for example, to reduce a concentration risk or to diversify client accounts' portfolios. Conversely, credit derivatives may be used to reduce exposure to an owned asset without selling it in order, for example, to maintain relationships with clients, to avoid difficult transfer restrictions, manage illiquid assets or hedge declining credit quality of the financial asset. The use of leverage will significantly increase the sensitivity of the market value of the credit default swaps, total rate of return swaps or other credit derivatives to changes in the market value of the reference obligations. The reference obligations are subject to the risks related to the credit of the underlying obligors. These risks include the possibility of a default or bankruptcy of the obligors or a claim that the pledging of collateral to secure a loan constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the obligors or nullified under applicable law.

OTC Transactions. EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR"), which came into force on August 16, 2012, introduces uniform requirements in respect of OTC derivative contracts by requiring certain "eligible" OTC derivatives contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivatives contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements are likely to include the exchange and segregation of collateral by the parties.

While many of the obligations under EMIR have come into force, a number of other requirements have not yet come into force or are subject to phase-in periods and certain key issues have not been finalised. Therefore, it is not fully clear how the OTC derivatives market may adapt to the new European regulatory regime for OTC derivatives.

The firm expects that the client accounts may be affected by some or all of the requirements of EMIR. However, as at the date of this brochure, it is difficult to predict the full impact of EMIR on the client accounts, which may include an increase in the overall costs of entering into and maintaining OTC derivative contracts. Prospective investors should be aware that the regulatory changes arising from EMIR may in due course adversely affect the ability of the client accounts to adhere to their investment approach and achieve their investment objective.

Clearing and Trading Requirement of the Over-the-Counter Derivatives Markets. In the United States, the Wall Street Transparency and Accountability Act, which forms a part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Reform Act”) became law in July 2010. The Reform Act includes provisions that comprehensively regulate the OTC derivatives markets. The Reform Act requires that a substantial portion of OTC derivatives must be executed in regulated markets and submitted for clearing to clearing houses. OTC derivatives trades submitted for clearing are subject to initial and variation margin requirements set by the relevant clearing house, as well as possible CFTC or SEC-mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. Although the Reform Act includes limited exemptions from the clearing and margin requirements for so-called “end-users”, the client accounts may not be able to rely on such exemptions. OTC derivative dealers also are or will be required to post margin to the clearing houses through which they clear their customers' trades instead of using such margin in their operations. This will increase the OTC derivative dealers' costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and the possible imposition of new or increased fees.

The Securities and Exchange Commission (the “SEC”) and the Commodity Futures Trading Commission (the “CFTC”) generally require a substantial portion of derivatives transactions that were historically executed on a bilateral basis in the OTC markets to be executed through a securities, futures, or swap exchange or execution facility. These transactions that are required to be entered into on an exchange or execution facility are a subset of those that are required to be cleared.

Clearing and trading requirements may make it more difficult and costly for investment funds, including the funds to enter into OTC transactions. They may also render certain strategies in which the client accounts might otherwise engage impossible or so costly that they will no longer be economical to implement. Finally, the clearing requirement will centralize risk in a small number of clearing counterparties. While the derivatives clearing organizations' margin requirements will reduce the risk of default on contracts, the mere fact of centralizing and pooling risks at a small number of clearing organizations may increase the impact of the failure of a centralized counterparty.

Expedited Transactions. Investment analysis and decisions by the firm may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the firm at the time of an investment decision may be limited, and the firm may not have access to detailed information regarding the investment opportunity. Therefore, no assurance can be given that the firm will have knowledge of all relevant

circumstances that may adversely affect an investment. In addition, the firm may rely upon independent consultants in connection with its evaluation of proposed investments; however, no assurance can be given that these consultants will accurately evaluate such investments and the client accounts may incur liability as a result of such consultants' actions.

Liabilities upon Disposition. In connection with the disposition of an investment, a client account may be required to make representations about the business and financial affairs of the entities which hold the investment typical of those made in connection with the sale of any business, may be responsible for the content of disclosure documents under applicable securities laws, and may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which will be borne by the client accounts.

Short Sales. As part of its hedging strategy, a client account may engage in “short sales” (*i.e.*, the sale of a security which such client account does not own in the hope of purchasing the same security at a later date at a lower price) as may be permitted under applicable regulations. A client account will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the client account covers its short position (*i.e.*, purchases the security in the open market). A client account will realize a gain if the security declines in price between these dates by an amount sufficient to offset net expenses of the short sale. A short sale involves the theoretically unlimited risk of loss occasioned by an increase in the market price of the security that is the subject of the short sale. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Stock Borrow. The firm may borrow securities for the account of a client account on terms that such securities may be recalled by the lender at short notice. If the securities are recalled, the firm may be required to unwind a strategy early, which may result in losses to such client account.

Repurchase Agreements. Client accounts may enter into repurchase and reverse repurchase agreements. When a client account enters into a repurchase agreement, it “sells” securities to a broker-dealer or financial institution and agrees to repurchase such securities for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase agreement, a client account “buys” securities from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the client account, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements involves risks. For example, if the seller under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of the bankruptcy or otherwise, a client account will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable insolvency or other applicable laws, a client account’s ability to dispose of the underlying security may be limited. It is possible that in a bankruptcy or liquidation a client account may not be able to substantiate its interest in the underlying securities. If a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a client account may suffer a loss to the extent it is forced to liquidate its position and the sale proceeds are less than the repurchase price agreed to by the defaulting seller.

Risks relating to PIPES (private investments in public equity). Client accounts may invest in public companies through private investments, resulting in such client accounts holding unregistered shares or other interests of a company. Such interests or shares may be subject to a lock-up period and there may not be a liquid market for such shares or interests.

Liability in co-investment situations. Client accounts may invest in assets through joint ventures or other co-investment arrangements with other parties in which it assumes liability which is joint and several or otherwise higher than a client account's pro rata investment in the relevant investment. Accordingly, a client account may as a result of an act or omission of a third party investor suffer a loss higher than such client account's pro rata share in the relevant investment.

Political & Economic Risks. The value of the assets in the client accounts may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, imposition of confiscatory taxation and or withholding taxes on interest payments, changes in interest rates and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership, including nationalization and expropriation of assets.

Repatriation of Capital, Dividends, Interest and Other Income Risks. It may not be possible for the client accounts to repatriate capital, dividends, interest and other income from certain countries, or it may require government consent to do so. The client accounts could be adversely affected by the introduction of the requirement for any such consent, or delays in or the failure to grant any such consent, for the repatriation of funds or by any official intervention affecting the process of settlement of transactions that may in turn affect the repatriation of funds. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

Market Risk. Financial markets are increasingly more volatile. Wide swings in market prices that have been a feature of smaller and less developed markets are also becoming common in major financial markets. In many instances, market prices defy rational analysis or expectation for prolonged periods and are influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of large enough magnitude can sometimes weaken what is deemed a sound fundamental basis for investing in a particular market. Investment expectations may therefore fail to be realised in such instances.

Investments in Publicly Traded Securities. Most of the markets in which we invest are emerging markets, and consequently tend to be substantially smaller, less liquid, less regulated and more volatile than major securities markets, such as those in more developed economies. The limited liquidity of securities in emerging countries could also affect a client account's ability to acquire or dispose of securities at the price and at the time it would otherwise do so.

Investments in Unlisted Companies. Investments in unlisted companies represent a higher risk as compared to investments in listed companies. Unlisted companies generally do not have previous track records or business models, are subject to less regulation by authorities and may not have strong corporate governance procedures. There is also less transparency in their activities as well as a general lack of availability and access to more detailed financial information. There is also no

assurance that a client account will be able to secure a liquidity event such as the initial public offering of the unlisted company's shares or a trade sale to third parties. In such event, the client account may not be able to realise its initial investment in the unlisted company.

Inflation. Some of countries in which we intend to invest client accounts have experienced extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of certain emerging countries. Therefore, the performance of the client accounts could be affected by rates of inflation in countries in which the client accounts invest.

Counterparty Risk. The client accounts transact most of their investments through financial institutions including, but not limited to, brokers, dealers and banks. All purchases and sales of securities will carry counterparty risks until the transactions have settled. All financing transactions such as borrowing or lending of funds or securities will carry counterparty risks until such borrowing or lending has terminated and the relevant collateral is returned. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty, we may be forced to unwind certain transactions and we may encounter delays and difficulties with respect to court procedures in seeking recovery of a client accounts' assets.

Default of Broker or Custodian. Certain brokerages and banks will have custody of fund assets. Bankruptcy or fraud at any of these institutions may impair the operational capabilities or the capital position of the funds. The funds custodian may not be required to segregate the funds' assets deposited with them, in which case the funds' assets may be subject to the claims of the custodian's general creditors if the custodian becomes insolvent.

Broker-Dealer Insolvency. All or part of the assets of client accounts may be held in one or more accounts maintained for such client accounts by their prime brokers or at other broker-dealers. There is a risk that any such prime brokers or broker-dealers (including any of their affiliates) may become insolvent. There is a possibility that the insolvency of a prime broker or broker-dealer may significantly impair the operational capabilities of client accounts and the assets of client accounts. Although it is the intention of the firm to regularly monitor the financial condition of the prime brokers or broker-dealers, if any of the prime brokers or broker-dealers (or their respective affiliates) were to become insolvent under applicable laws, there is a risk that the recovery of the securities of the client accounts and other assets from such prime brokers or broker-dealers may become protracted and/or be of a value less than the value of the securities or assets originally entrusted to such prime brokers or broker-dealers.

Investors should further note that, the client accounts may use prime brokers or broker-dealers located in various jurisdictions. Such prime brokers or broker-dealers are subject to various local laws and regulations in the relevant jurisdictions. Although such laws may primarily be designed to protect their customers in the event of insolvency, however, the practical effects of these laws may be subject to significant limitations, judicial and administrative interpretation and uncertainty (including uncertainties as to the scope of their application). Because of the potentially large number of entities and jurisdictions involved and the possible factual scenarios involving the insolvency of prime brokers or broker-dealers, it is not possible to predict the effect their insolvency may have on the client accounts and the assets of the client accounts. Investors should therefore

assume that the insolvency of any of such prime brokers or broker-dealers or other service providers may result in significant losses to the client accounts.

Exchange Control and Currency Risk. We cause the client accounts to mostly invest in securities denominated in currencies other than US\$ and any income received by the client accounts from those investments will be received in those currencies. The funds will compute their net asset value in US\$ and there is therefore a currency exchange risk which may affect the value of investments in the funds. The client accounts may from time to time invest in countries that have exchange control restrictions and client accounts may encounter difficulties or delay in relation to the receipt of their divestments due to such controls existing in various countries. We may use hedging techniques for client accounts with the objective of protecting against loss through the fluctuation of the valuation of foreign currencies. For certain currencies, however, there currently may not be a reliable and cost efficient method of hedging currency risk. Consequently, currency exchange rate fluctuations, currency devaluations and exchange control regulations may adversely affect the performance of portfolio companies and the return realised on the client accounts' investments.

Impacts of Recent Geopolitical Events. Geopolitical events may cause disruptions to commerce, reduced economic activity, and continued volatility in markets throughout the world. Some of the assets in client accounts may be adversely affected by declines in the securities markets and economic activity because of these events. Arohi cannot predict at this time the extent and timing of any decreased commercial and economic activity resulting from the such events, or how any such decrease might affect the value of securities and other assets held by the client accounts.

Market Disruptions; Governmental Intervention; Short Selling Ban. The global financial markets have undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

Regulatory Change. The regulation of the U.S. and non-U.S. securities markets and of investment funds such as the funds has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future. The effect of regulatory change on the funds, while impossible to predict, could be substantial and adverse.

Concentration Risk. Although we intend to follow a general policy of diversifying the investments of the client accounts, such client accounts may at certain times hold only a few relatively large (in relation to the capital of the applicable client account) positions with the result that a loss in any position could have a material adverse impact on the client account. There is no guarantee that compliance with any investment restrictions or limitations will have their desired effect or that the client accounts will be profitable in following such restrictions or limitations.

Settlement, Clearing and Registration Risks. Some of the countries in which the client accounts may invest are undergoing rapid expansion. There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in some of these markets. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many less developed markets, no guarantee can be given that all entitlements attaching to quoted and OTC traded securities acquired by the client accounts, including those related to dividends, can be realised. Some markets currently dictate that a local prime broker receives monies for settlement by a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement.

Interest Rate Risks. Changes in interest rates may adversely affect the client accounts' investments. Changes in the level of interest rates can affect a client account's income by affecting the spread between the income on its assets and the expense of its interest-bearing liabilities, as well as the value of the client account's interest-earning assets and the ability to realize gains from the sale of assets. Share rates are highly sensitive to factors such as governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements, and other factors beyond our control. We may finance investment activities with both fixed and variable rate debt. With respect to variable rate debt, a client account's performance may be affected adversely if we do not or are unable to limit the effects of changes in interest rates on the client account by employing an effective hedging strategy. Should we so elect (and we will be under no obligation to do so), the use of hedging instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the earnings of the client accounts and funds available for distribution to investors and that such losses may exceed the amount invested in such instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The client accounts may also be exposed to the risk that the counterparties with which we trade may cease making markets and quoting prices in such instruments, which may render us unable to enter into an offsetting transaction with respect to an open position, or the risk that a counterparty may default on its obligations.

Investments in Undervalued Securities. We generally seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from investments may not adequately compensate for the business and financial risks assumed. A client account may also be required to hold such securities for an extended period of time before realising their anticipated value. During this period, a portion of the client account's capital would be committed to the securities purchased, thus possibly preventing such client account from investing in other opportunities.

Litigation. The acquisition, ownership, and disposition of structured investments entail certain litigation risks. Litigation may be commenced with respect to a security acquired by client accounts

in relation to activities that took place prior to any such client account's acquisition of such security. In addition, at the time of disposition for a security, a potential buyer may claim that it should have been afforded the opportunity to purchase the security or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favour of another as part of the firm's efforts to maximise sale proceeds. Similarly, buyers of the assets of the client accounts may later sue the client accounts under various legal causes of action, including those sounding in tort for losses associated with problems not uncovered in due diligence.

Possible claims, the outcomes of such claims and the remedies available to investors should such claims be pursued, are currently impossible to anticipate and such proceedings may continue without resolution for long periods of time. Any such action may consume substantial amounts of the principals' time and attention, to the material detriment of the business and assets of the client accounts.

Risk Factors Specifically Relating to Emerging Markets Strategies

Investment in emerging market countries are subject to specific risks, some of which are summarised below:

Economic and Political Risks. The assets of the client accounts may be invested in countries where the market economy is relatively less developed. Although the recent general trend in such countries has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organised crime or other factors beyond our control could have a material adverse effect on the performance of the client accounts' investments.

International Trade. The economies of many emerging markets are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

Investment Controls. Restrictions or controls may at times limit or preclude foreign investment in certain emerging markets and increase the costs and expenses of the client accounts' investments. Certain emerging markets require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors. Certain emerging markets may also restrict investment opportunities in issuers in industries deemed important to national interests.

Investments in emerging markets may require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if a deterioration occurs in an emerging market's balance of payments, the country could impose temporary restrictions on foreign capital remittances. Client accounts could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the client accounts of any restrictions on investments. Investing in emerging markets may require that the client accounts adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the client accounts.

Legal and Tax Systems. The legal and tax system of many emerging markets is less predictable than most legal systems in countries with fully developed capital markets. Currently, the tax rules and regulations prevailing in many emerging markets are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies often experience delays when obtaining governmental licences and approvals.

There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable by the portfolio companies or the clients themselves may reduce returns. In addition, changes to tax treaties (or their interpretation) between countries in which the client accounts invest and countries through which the client accounts conduct their investment program may have significant adverse effects on the clients' ability to efficiently realise income or capital gains. Consequently, it is possible that the client accounts may face unfavourable tax treatment resulting in an increase in the taxes payable by any such client on its investments. Any such increase in taxes could reduce investment returns.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the client accounts, and political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Securities Market Regulation. The securities markets in many of the emerging markets in which the client accounts may invest may be in the early stages of development and government supervision and regulation of the securities markets may be significantly less well developed than in many free market economies. As a result, the risks of fraudulent market practices are higher than those in more highly regulated markets. No assurance can be given that regulations addressing such risks will be adopted or, if adopted, will be effectively implemented or enforced.

Settlement and Liquidity Risks. In many of the emerging markets in which the client accounts may invest, there may be limited organised public trading markets for securities with little liquidity

or transparency, resulting in relatively slow and cumbersome execution of transactions. In particular, there may be no approved settlement procedure and trades may be settled by a free delivery of stock with payment of cash in an uncollateralized manner. This may give rise to a credit risk in relation to the counterparty. In general there may be an increased risk of defaults and delays in settlement compared to the markets in more developed economies. As a result, clients may experience difficulty in realising all entitlements attaching to the securities acquired.

Banking Risks. The banking and other financial systems of many emerging markets are not well developed or well regulated. Delays in transfers by banks may result as may liquidity crises and other problems arising as a result of the under-capitalization of the banking sector as a whole. A general banking crisis in any of the emerging markets countries in which the client accounts may invest would have a material adverse effect on the client accounts.

Risks Relating to the Emerging India Strategy

Investments in India are subject to specific risks, some of which are summarised below:

Indian Political, Social and Economic Factors. The value of investments in client accounts may be adversely affected by potential political and social uncertainties in India. Certain developments are beyond the control of the client accounts, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments, could adversely affect the investments of client accounts.

India is a country which comprises diverse religious and ethnic groups. It is the world's most populous democracy and has a developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and its neighbouring countries, particularly over the region of Kashmir and certain places in the north-east region of India, and between certain segments of the Indian population. Any exacerbation of such tensions could adversely affect economic conditions in India and consequently the investments of the client accounts.

Terrorist attacks in India have also heightened tensions and security risks across India. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, and on the market of the services and products of Indian companies in which the client accounts may make investments.

While fiscal and legislative reforms have led to economic liberalization and stabilization in India over the past decade, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. Changes could occur on account of change in social, political or economic circumstances including but not limited to change in the ruling party of the India government. Investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing foreign investment, anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.

Although India has experienced significant growth in the past, there can be no assurance that such growth will occur in the future. For example, the relocation trend may decelerate by reason of a general economic downturn in one or more industrialized 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. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the client accounts' investments.

Risk of Corporate Disclosure, Accounting, Custody, and Regulatory Standards. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries or markets. The difficulty in obtaining such information may mean that the client accounts may experience difficulties in obtaining reliable up-to-date and accurate information regarding the financial condition, any corporate actions and dividends and other incentives of companies in which the client accounts have invested which may, in turn, lead to difficulties in determining the client accounts' investment philosophy with regards to specific investments and in determining the net asset value with the same degree of accuracy which might be expected from more established markets. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries. Indian trading, settlement and custodial systems are not as developed as in certain OECD countries, and the assets of the client accounts which are traded in the Indian market and which have been entrusted to sub-custodians in the India market may be exposed to risk in circumstances in which the Custodian may have little or no liability.

Indian Stock Market Risk. The Indian stock markets are undergoing a period of growth and change, which may lead to greater volatility and difficulties in the settlement, and recoding of transactions and interpreting and applying the relevant regulations, in comparison to the developed countries. There can be no assurance that the client accounts' objectives will be realised or there will be any return of capital.

Inflationary Pressures in India. Although inflation in India has been relatively modest over the last 10 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 investments of the client accounts.

Deflationary Pressures Globally and in India. Although neither India nor the global economy as a whole has experienced excessively low relative inflation over the last 10 years, 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 the investments of the client accounts.

Indian Legal System Risk. The level of legal and regulatory protections and market transparency customary in countries with developed securities markets to protect investors and securities transactions and generally to enhance market transparency and stability and to ensure market discipline may not be available in the Indian securities markets. Regulation by the exchanges and

self-regulatory organisations may not be recognised as law that can be enforced through the judiciary or by means otherwise available to investors in the developed markets.

Indian Foreign Exchange and Currency Risk. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by the Indian regulators through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Market Access Risk (Instruments Used by the Client Accounts to Gain Exposure to Indian Markets). As direct investments in the Indian markets are restricted by the applicable laws of India, the firm may arrange for the client accounts to gain exposure by using financial instruments issued by lending institutions.

Limitations of Investments. Under the existing FPI Regulations, the client accounts can invest only up to 10% (ten per cent) of paid-up capital or 10% (ten per cent) of the paid-up value of each series of convertible debentures of an Indian company. The investment of the client accounts is accordingly restricted to that extent.

Indian Investigations and Actions. Any investigations of, or actions against the client accounts and the firm initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment activities of the client accounts or the firm.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in Arohi's strategies. Additional risks arise for fund investors from the structure and terms of the funds, and are described in the offering documents of the funds.

Trade Error Policy

The chief compliance officer is charged with ensuring that errors created in a client account are corrected so as not to harm any client. To this end, if there is a trade error, then the resolution and rectification will be undertaken with appropriate consultation with the client on a case by case basis.

Item 9. Disciplinary Information

There is no disciplinary information to be reported.

Item 10. Other Financial Industry Activities and Affiliations

Material Financial Industry Affiliations of the Firm

Arohi manages the investments of four funds that are currently offered to investors, Arohi Emerging Asia Master Fund and its feeder fund, Arohi Emerging Asia Fund, and Arohi Emerging India Master Fund and its feeder fund, Arohi Emerging India Fund. Each of the funds is a Cayman Islands exempted company. Mr. Pillai serves as a director of each of the funds.

Arohi also manages separately managed funds or accounts using one or more of the same strategies as it uses for the funds.

No supervised person of Arohi, whether a director or otherwise, may serve as a director in any other commercial enterprise or venture (of any nature) without having made the disclosure and obtaining prior approval from the Chief Executive Officer (CEO) or Compliance Officer (CO). However, Arohi, for protecting the interest of its investors, may appoint employees as directors in investee companies with a view to oversee the business of value creation and continued strategic alignment with the investment thesis at the time when the investment is made.

Consent to hold any such position will not normally be given if the officer is:

1. Required to spend meaningful time in the other entity to the detriment of Arohi's investors; and,
2. Expected to take responsibility for making or participating in the making of investment decisions.

No supervised person of Arohi is allowed to enter into any arrangement with a third party (related or otherwise) that would compromise Arohi's ability to make an independent and objective decision in the best interest of its investors. Similarly, no supervised persons may participate in any business venture with customers and / or suppliers of any sort.

The CEO will assess the conflict of interest in conjunction with the CO to take appropriate action on an on-going basis as and when the circumstances of any individual supervised person changes.

Allocations

When Arohi deems the purchase or sale of securities to be in the best interest of more than one account, we may aggregate the securities to be purchased or sold by all such accounts in order to obtain superior execution or lower brokerage expenses. In such circumstances, we will allocate such purchase or sale as described below.

The principle of fairness is to treat all portfolios/mandates with equal respect with regards to allocation of trades. For similar portfolios/mandates, this should result in similar weightings across stocks, even though it may not be exact for a variety of reasons, not limited to, price movements, different timing of injection of fresh capital, mandate restrictions, and different weight of targeted exposures with regards to certain stocks or sectors or countries. In practice this principle gets translated into the buying and selling allocations described below.

Allocation philosophy for buying

All purchases will be allocated between similar portfolio/mandates pro rata (subject to rounding and materiality) based on the ratio of the market value of the portfolio/mandate as of the previous day's closing prices. If any mandate is restricted from transacting in a particular security, that portfolio/mandate will be excluded for prorating purposes. From time to time, the manager may allocate in a manner so as to equalise the normalised weights across all portfolios with similar investment guidelines, or to create slightly different exposures at the discretion of Arohi. This may

result in the allocation of a purchase in a way that is different from the pro rata allocation described above.

Allocation philosophy for selling

All sales will usually be allocated pro rata based on the ratio of the holdings of the stock in the various portfolios. From time to time, the manager may allocate with the intention of equalising the normalised weights across all portfolios with similar investment guidelines. This may result in allocation of sales which may be different from the pro rata allocation described above.

Initial Public Offering (IPO)

From time to time, Arohi, on behalf of its clients, will participate in initial public offerings (“IPOs”). The policy of allocation for IPOs will be no different from the allocation philosophy for purchases of any other securities for any of the client accounts, except as required by applicable regulation. The overarching philosophy of fairness and non-preferential allocation for all portfolios / mandates will remain consistent across all the trading decisions.

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

Arohi has adopted a code of ethics within its “Code of Conduct and Policies Manual” which sets out the standards of conduct expected of Arohi and its employees. The following is a summary of certain elements of our Code of Conduct and Policies Manual. A complete copy of our Code of Conduct and Policies Manual will be provided to clients upon request.

Loyalty to Clients

Arohi and its employees are expected to:

- Place the interest of the clients before their own personal interest.
- Preserve the confidentiality of information.
- Refuse to participate in any business relationship or accept any gift that could affect the independence, objectivity, or loyalty to clients.

Investment Process – Objectivity

Arohi and its employees are expected to:

- Use reasonable care, objectivity and prudent judgement when managing client assets.
- Deal fairly and objectively with all clients when taking investment action.
- Not engage in practices designed to distort prices or artificially inflate trading volume.
- Have a reasonable and adequate basis for investment decisions.

Trading

Arohi and its employees are expected to:

- Trade for client portfolios with objectivity, prudence and in line with the product mandate.
- Not act or cause others to act on material non-public information that could affect the value of the publicly traded investment.
- Establish policies to ensure fair and equitable trade allocation among portfolios / mandates.

The code of conduct includes Arohi's policy to prevent insider trading.

Investment Performance & Valuation

At all times Arohi and its employees are expected to:

- Present portfolio performance information that is fair, accurate, relevant, timely and complete in all respects.
- Use fair-market prices to value the portfolio holdings and apply them in good faith with independence, objectivity and integrity.
- Discrepancies, if any, at the time of portfolio reconciliation should be escalated to an immediate supervisor for resolution.

Disclosures

At all times, employees at Arohi are expected to:

- Communicate with clients on an on-going basis and provide timely reporting.
- Ensure that disclosures are truthful, accurate, complete and understandable.
- Include any or all material facts when making disclosures that are relevant for clients to know.
- Disclose any conflict of interests or disciplinary action taken against Arohi or its employees.
- Disclose all the commercial terms that are relevant and applicable to clients and prospects.

Personal Trading

Personal account investing within Asia ex-Japan is not permitted for any Arohi employee. Within Asia ex-Japan, employees are not permitted to hold any direct security. Only securities held by the employees prior to or at the time of joining may be held and sold down. Adding to the portfolio is strictly prohibited. Employees are required to make periodic reports to Arohi regarding any brokerage accounts, holdings and transactions.

Item 12. Brokerage Practices

Selection of Broker-Dealers

In effecting transactions on behalf of clients, Arohi will seek to obtain best execution. Arohi acknowledges that allocation of brokerage business will not be based solely on the objective of securing the lowest possible price; rather Arohi will select brokers in part on the basis of certain other non-monetary benefits offered by the firms considered worthy of providing the desired service in the best possible manner. Non-monetary benefits offered by these firms include, amongst others, research services, special execution capabilities, willingness to execute related or unrelated difficult transactions and other matters involved in the receipt of brokerage services generally.

The intention at all times for best execution remains one of selecting brokers with capabilities that best serve the interest of Arohi's investors in all markets where Arohi's mandate permits investment.

Soft Dollars

Arohi is appointed as investment manager managing discretionary mandates for its clients. Company due diligence remains an integral part of its operation and therefore Arohi generally will pay for all the associated costs. However, Arohi does receive certain publications from brokers that may be of use to Arohi. In the past year, Arohi received company analysis reports that it used as inputs in its investment decision-making, along with many other such inputs. Research benefits received by Arohi from brokers may create an incentive for Arohi to direct brokerage to brokers in order to use client commissions to obtain research that Arohi would otherwise have to pay for itself. Arohi reviews its broker relationships periodically.

Aggregation of Orders

When we deem the purchase or sale of securities to be in the best interest of more than one account, we may aggregate the securities to be purchased or sold by all such accounts in order to obtain superior execution or lower brokerage expenses. In particular, execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged.

Item 13. Review of Accounts

The CIO reviews the holdings on a periodic basis and in consultation with the Head of Research and the team makes investment decisions for the portfolio. Please see "Investment Process" in Item 8 for further details.

Funds. After the end of each fiscal month, each investor in a fund is provided with an unaudited account statement by the administrator / custodian. The statement details any contributions or withdrawals by the investors, and the opening and closing account balance for the period covered.

After the end of each fiscal year, relevant investors in a fund are provided information regarding the status of the investor's capital account and certain tax reporting information.

Other Accounts. Account statement of holdings including cash in the account is reconciled on a daily basis with the custodians. These statements are sent directly to the client by the custodian. These reports list the account positions, activity in the account over the covered period, and other related information.

Item 14. Client Referrals and Other Compensation

Arohi does not employ any distribution agents nor has any agreement with any third party to promote its products or services. No financial commissions or charges are payable to anyone for the singular purpose of distributing Arohi's funds.

Item 15. Custody

Arohi does not have custody of client funds or securities.

Item 16. Investment Discretion

Item 4 includes a description of the investment discretion that we exercise with respect to the funds and separate accounts. Investors in the funds generally do not have any ability to restrict the investment of the funds, although under limited circumstances we may agree with a particular investor that such investor will not participate in certain categories of investment made by a fund. In circumstances where the separate account investors may not be able to participate in a specific country, on account of self-imposed restrictions, one or more of the strategies, which may be replicated across all accounts, will continue to be executed without any changes but with no allocation of securities of the restricted country to the separate account.

Separate account investors have greater flexibility to impose restrictions on types of investments or investment strategies.

We generally exercise investment discretion with respect to accounts pursuant to the investment advisory agreement relating to each such account.

Item 17. Voting Client Securities

Arohi has authority to vote securities held by the funds and generally has that authority with respect to securities held in the separate accounts.

Arohi believes that the voting of proxies is an important part of portfolio management for its clients as it provides the client the opportunity to be heard and influence the direction of a company. Arohi votes proxies in a manner consistent with the best interests of its clients.

Arohi's proxy voting policy includes our policy on how to vote with respect to specified matters, some of which are determined on a case by case basis. Fund investors and separate account clients may obtain information on how proxies were voted, and/or a copy of our proxy voting policy, upon written request to Arohi and subject to an appropriate confidentiality agreement where applicable.

Arohi keeps a record of all the proxy voting for a period of 7 years.

Item 18. Financial Information

Arohi does not require or solicit prepayment of more than \$1,200 in fees from the accounts, six months or more in advance, and therefore we are not required to include a balance sheet for our most recent fiscal year. We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

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