

# Shikhara Investment Management LP

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This Brochure provides information about the qualifications and business practices of Shikhara Investment Partners LP (“**Shikhara**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact us at 646-809-5433 or by email at [rahul.chadha@shikhara.com](mailto:rahul.chadha@shikhara.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Registration as an investment adviser does not imply that Shikhara or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Shikhara is also available on the SEC's website at <https://adviserinfo.sec.gov/>.

## **Item 2: Material Changes**

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This is Shikhara's initial filing relying on Rule 203A-2(c) expecting to be eligible for SEC registration within 120 days and as such there are no material changes.

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#### Item 4: Advisory Business

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Shikhara is a Delaware Limited Partnership formed in November 2023. The Firm's principal place of business is located in New York, New York. As indicated on the Firm's Form ADV Part 1A, the Firm's principal owner, control person, and ultimate beneficial owner is Rahul Chadha.

Shikhara is an investment management firm that will provide advisory services on a discretionary basis to privately offered pooled investment vehicles, which are intended for investment by certain qualified investors as set forth in Item 7 below.

Shikhara intends to provide discretionary investment advisory services to private funds (each a "**Fund**" and collectively the "**Funds**"). One or more affiliates of Shikhara will serve as the general partner of each Fund that is formed as a limited partnership. Investment advice will be provided by Shikhara directly to the Funds and not individually to the investors thereof, subject to the direction and control of the board of directors or general partner of each Fund, as applicable. All Funds are governed by a private placement memorandum and limited partnership agreement or equivalent governing document (collectively, the "**Governing Documents**"). The Funds shall rely on all disclosures and conditions contained in the Governing Documents.

The Firm will focus on seeking long term growth through capital appreciation. Shikhara plans to invest in active equity offerings covering the Asia and emerging market jurisdictions with the first two offerings being invested primarily in Asia-based equities and India-based equities. The Funds will seek to achieve their objectives primarily by investing in equities and equity-related securities of companies domiciled in or exercising a large portion of their economic activity in countries (including, but not limited to, territories and special administrative regions) of Asia (excluding Japan) such as Korea, China, Hong Kong, Taiwan, Singapore, India, Malaysia, Indonesia, Thailand and the Philippines but additional opportunities may also be sought, whenever regulations permit, in any of the emerging markets in Asia.

The investment objectives and strategy for the Funds are described in the relevant Governing Documents.

Shikhara does not intend to participate, sponsor or act as a portfolio manager for any wrap fee programs.

#### Client Assets

Shikhara is relying on rule 203A-2(c), expecting to be eligible for SEC registration within 120 days of filing for ADV.

As of March 19<sup>th</sup>, 2024, Shikhara has USD \$0 of regulatory assets under management on a discretionary basis and non-discretionary basis.

#### Item 5: Fees and Compensation

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Shikhara will receive an asset-based management fee and performance-based compensation in connection with the provision of its advisory services to the Funds. Details of the fees and expenses applicable to the Funds will be set forth in the Fund's respective Governing Documents. A brief summary of those fees and expenses is provided below.

#### Management Fees

Shikhara expects to charge the Funds fixed management fees in the range of 0.50% and 1.00% per annum, which will generally be deducted from the assets of each Fund on a quarterly basis, in each

case as set forth in the Governing Documents. In addition, Shikhara or an affiliate expects to receive performance-based compensation from each Fund of between 10% and 15% per annum, in each case above the applicable benchmark hurdle, as set forth in the Governing Documents.

### **Expenses**

In addition, as further set forth in the Governing Documents, the Funds will be responsible, or will reimburse Shikhara, for various ongoing operational expenses, including but not limited to, accounting, auditing, tax preparation, legal, administration, research, and other investment-related costs. In addition, the Funds will incur brokerage and other transaction costs.

Neither Shikhara, nor its Supervised Persons, will be compensated for the sale of securities or other investment products.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

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As noted above, Shikhara will be entitled to receive performance-based compensation in connection with advisory services provided during any performance period year in which a Fund's return exceeds the benchmark return. Shikhara's performance-based compensation is generally earned annually but may be received earlier to the extent of any earlier withdrawal of capital from a Fund. The calculation of Shikhara's performance-based compensation is described in detail in the Governing Documents.

### **Performance-Based Fees**

Performance-based compensation may create potential conflicts of interest. Performance-based compensation may create an incentive for Shikhara to recommend that the Funds make investments that are riskier or to encourage them to overstate their valuations which would benefit the Firm. However, Shikhara believes that the investments by one or more principals of the Firm in each Fund will help to align the interests of the Firm with those of the Funds.

Shikhara as manager of the Funds may, in its sole discretion, waive, rebate, or otherwise vary (but not increase) any performance-based compensation owed by a Fund in whole or in part, or may rebate or waive such performance-based compensation in whole or in part for certain investors.

## **Item 7: Types of Clients**

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Shikhara will provide investment advisory services to the Funds, which are privately offered pooled investment vehicles intended for investment by certain qualified investors, including banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates, charitable organizations, other corporations or business entities, in addition to certain partners, principals, and/or employees of Shikhara and its affiliates and members of their families.

Investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. Generally, investors must be (i) "accredited investors," as defined under Regulation D of the Securities Act of 1933, as amended (the "**Securities Act**"), and (ii) either "qualified purchasers" or "knowledgeable employees," in each case as defined under the Investment Company Act of 1940, as amended.

The Funds generally have a minimum investment amount of USD \$1 million, but Shikhara will be permitted to waive such minimum investment amount in its sole discretion.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

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The investment strategies, methods of analysis, and material risks applicable to each Fund are set forth in detail in each of the Fund's respective Governing Documents. A general summary of those investment strategies, methods of analysis, and material risks is provided below. There can be no assurance that Shikhara will achieve the investment objectives of any Fund and a loss of investment is possible.

On behalf of the Funds, Shikhara seeks to follow a best-in-class approach across sectors with a focus on intrinsic value; the Firm's main endeavor is to invest in companies whose management teams are visionary, category disruptors, and have good execution skills. Shikhara will primarily focus on Asia- and India-based investment opportunities and seek to invest in market leading companies.

### **Risk Factors**

Any investment in the Funds involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Governing Documents. There can be no assurance that the investment objective will be achieved. The following risks should be carefully evaluated before making an investment in the Funds. All the risks discussed below apply equally to the Funds. Prospective investors should carefully evaluate the merits and risks of an investment in the context of their overall financial circumstances. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us. A further description of each of these risks will be set out in the Governing Documents in relation to the respective Funds.

#### *Investment and Trading Risk*

All investments are subject to systemic, systematic, and idiosyncratic risks that could lead to the loss of capital. The subscription monies paid by an applicant for investment interests will accordingly be subject to investment risk in the Funds from the relevant subscription day. There is no guarantee that the investments will be successful. Investment results may vary significantly over time. As is true of any investment, there is a risk that an investment will be lost entirely or in part. The Funds are not a complete investment program and should represent only a portion of an investor's portfolio management strategy.

#### *Geopolitical Risk*

Volatility of the price of oil, current developments in Syria, Iraq, Afghanistan and the Middle East generally, the continued threat of terrorism, the ongoing military and other actions and heightened security measures in response to these threats, international and regional military tensions and instability may cause disruptions to commerce, reduced economic activity and continued volatility in markets throughout the world. Such systemic risks may have an adverse impact on some of the assets in the Funds' portfolios in the event that such risks result in a decline in the securities markets and economic activity. Such external geopolitical risk, including escalation of tensions between and among

one or more of the United States, Russia, China, India and/or escalation in the Korean Peninsula can lead to external shocks leading to foreign capital fleeing any or all emerging markets, with a particular impact on the Funds' portfolios. Shikhara cannot predict at this time the extent and timing of any decreased commercial and economic activity resulting from the above factors, or how any such decrease might affect the value of securities and other assets held by the Funds. The aforementioned factors could also result in incidents or circumstances that would disrupt the normal operations of the Firm, the Funds or any of the Funds' service providers, including prime brokers, and/or fund administrator, which could also have negative effects on the investment performance.

#### *Investments in Emerging Markets*

In addition to the risks associated with foreign investments generally, as discussed above, investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Countries in the emerging markets may have their own history of default on external debt when their economies experience a downturn. These risks of sovereign default could adversely affect the value of a Fund's portfolio even in circumstances when the investment has not performed poorly. Further, emerging markets are generally heavily dependent upon international trade or the health of particular economies 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. The economies of certain emerging markets may be based predominantly on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation. In particular, certain commodities may occupy a prominent position in the economies of emerging markets and such economies are therefore sensitive to fluctuations in commodity prices. In addition, accounting, auditing and financial reporting standards, practices and disclosure requirements that prevail in emerging markets generally are not as high as standards in developed countries. Specifically, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed countries and there is an increased risk of fraud or other deceptive practices. Consequently, less information is typically available concerning companies located in emerging markets. Accordingly, a Fund's ability to conduct effective due diligence in connection with its emerging market investments and to monitor such investments may be adversely affected by these factors.

Repatriation of investment income, assets and the proceeds of sales by investors foreign to such markets, such as a Fund, may require governmental registration and/or approval in some emerging markets. A Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by a Fund or gains from the disposition of such financial instruments. There is also the possibility of expropriation or confiscatory taxation, political or social instability, limitation on the removal of funds or other assets or repatriation of profits, foreign withholding or other taxes, import duties or other protectionist measures or diplomatic developments which could affect the Funds' investments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Further, the economies of most emerging market countries, including India and China differ substantially from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, and control of foreign exchange and allocation of resources. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of

conflict among local, regional and national requirements or authorities. In certain cases, the laws and regulations governing investments in financial instruments may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. A Fund may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

#### *Economic, Political and Regulatory Risks*

There is often a high degree of government regulation in non-U.S. economies, including in the securities markets. Action by such governments may directly affect foreign investment in securities in those countries and may also have a significant indirect effect on the market prices of securities and of the payment of dividends and interest.

Changes in policy and regulations with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse effect on private investments. Non-U.S. economies may differ favorably or unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments.

Governments in countries outside of the United States participate to a significant degree, through ownership interests or regulation, in their respective economies. Action by these governments could have a significant adverse effect on market prices of securities and payment of dividends.

Many non-U.S. countries have undergone a substantial political and social transformation and there can be no assurance that the economic, educational and political reforms necessary to complete political and economic transformation will continue. The state of development of certain political systems outside of the United States makes them susceptible to changes and potential weakening from economic hardship and social instability. In certain non-U.S. countries, the extent of the success of economic reform is difficult to evaluate. Information on these economies is often contradictory or absent. In certain countries, much of the workforce remains under-employed or unemployed. Continued unemployment could hinder the ability of various governments to keep deficit spending in check.

Changing political environments, regulatory restrictions, and changes in government institutions and policies outside of the United States could adversely affect private investments. Civil unrest, ethnic conflict or regional hostilities may contribute to instability in some countries outside of the United States. Such instability may impede business activity and adversely affect the environment for foreign investments. The Funds do not intend to obtain political risk insurance. Actions in the future of one or more non-U.S. governments could have a significant effect on the various economies, which could affect market conditions, prices and yields of securities in the Fund's portfolio. Political and economic instability in any of the countries outside the United States in which the Funds invest could adversely affect the Fund's investments.

Emerging market countries may from time to time be subject to the imposition of economic or other trade sanctions, which may adversely affect the value of investments in these countries and any securities or other instruments based on such investments. Sanctions regimes and related laws and regulations are complex and constantly changing. Sanctions regimes and related laws and regulations may be enacted, amended, enforced or interpreted in a manner that materially impacts the Fund's investments. The Fund will not necessarily have instruments in place to hedge against this risk. Accordingly, economic or other trade sanctions may have adversely impacted the performance of the Fund.

#### *Foreign Currency and Exchange Rate Risk*

A substantial amount of the Funds' assets may be invested in Investments denominated in a functional

currency other than the base currency. Investments in such assets will be subject to the systemic and systematic risks connected with changes in exchange rates. Changes in the exchange rate may result over time from the interaction of many factors that directly or indirectly affect economic and political conditions in the countries in which the Funds invests. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. National governments rarely voluntarily allow their currencies to float freely in response to economic forces. Sovereign governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies. The Funds may use hedging techniques with the objective of protecting against loss through the fluctuation of the valuation of foreign currencies, particularly the forward market in foreign exchange, currency options and currency futures but will not be required to do so. To the extent the Funds enter into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Funds fail to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to the Funds for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

#### *Volatility and Interest Rate Risk*

The prices of some of the instruments intended to be traded by the Funds have been subject to periods of excessive volatility in the past, and such periods can be expected to recur or continue. In addition, the Funds' portfolios may be impacted by changes in interest rates in one or more markets, which could impact the price of investments or the cost of any borrowings by the Fund. Price movements are influenced by many unpredictable exogenous factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions.

#### *Liquidity Risk*

An investment in the Funds provides limited liquidity. Interests in the Funds are not freely transferable. In connection with the purchase of an interest in the Funds pursuant to the relevant Governing Documents, each investor must represent that it is acquiring shares for investment purposes only and not with a view to or for resale, distribution, or fractionalization. The Fund interests have not been registered under the laws of any jurisdiction and, therefore, are subject to transfer restrictions. A secondary market does not exist, and one is not expected to develop, for the Fund interests.

In addition, the Funds may invest in securities that are illiquid or that become illiquid due to market conditions. Such investments may consume a substantial amount of Shikhara's time, and the market prices, if any, for these securities tend to be volatile and may not be readily ascertainable. The Funds may not be able to sell any such security when they desire to do so or to realize what it perceives to be their fair value in the event of a sale.

#### *Concentration Risk*

The Funds may also have a high concentration in certain positions, including, among other things, similar financial instruments, industries or individual countries. While Shikhara will regularly monitor the concentration of the Funds' portfolios, concentration in any one industry, region or country may arise from time to time. For example, at any given time, certain geographic areas or industry sectors may provide more attractive investment opportunities than others and, as a result, a Fund's investment portfolio may become concentrated in those countries or regions or in specific industry sectors. The risk of loss on the Funds' investments will increase to the extent that their portfolios become so concentrated.

*Derivatives Risk*

The Firm's investment strategy may cause a client to be exposed to derivatives including instruments and contracts the value of which is linked to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, index, currency, or interest rate 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 trading. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result not only in the loss of the entire investment but may also expose a client to the possibility of a loss exceeding the original amount invested.

*Hedging Risk*

The Firm may seek to hedge the Funds' portfolios, and there can be no assurance that any hedging will be successful. If the Firm analyses market conditions incorrectly or employs a risk reduction strategy that does not correlate well with the Funds' investments, the risk reduction techniques employed by the Firm could result in a loss, regardless of whether the intent was to reduce risk or increase return. These risk reduction techniques may also increase the volatility of the Funds.

*Arbitrage and Spread Trading Risk*

Arbitrage and spread strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. If the requisite elements of an arbitrage strategy are not properly analysed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Funds are employing leverage. Arbitrage strategies often depend upon identifying favourable "spreads" which can also be identified, reduced, or eliminated by other market participants. In periods of trendless, stagnant markets and/or deflation, many alternative investment strategies have materially diminished prospects for profitability.

*Cyber Risk*

The Funds or one or more of their respective service providers, including the Firm may be prone to operational, information security and related risks resulting from failures of or breaches in cybersecurity. A failure of or breach in cybersecurity ("cyber incidents") refers to both intentional and unintentional events that may cause the relevant party to lose proprietary information, suffer data corruption, or lose operational capacity. In general, cyber incidents can result from deliberate attacks ("cyber-attacks") or unintentional events. Cyber incidents may cause disruption and impact business operations, potentially resulting in financial losses, interference with the Funds ability to calculate their net asset value, impediments to trading, the inability of Shareholders to subscribe for, exchange or redeem shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future which may adversely impact the Funds. While the Firm has established business continuity plans in the event of, and risk management strategies, systems, policies, and procedures to seek to prevent cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, none of the Funds, the Firm and its respective Affiliates can control the cybersecurity plans, strategies, systems, policies, and procedures put in place by other service providers to the Funds or the issuers in which these vehicles invest.

*Clearing and Settlement Risk*

In certain countries in which the Funds intend to invest, there may be limited organized public trading markets for instruments with little liquidity or transparency, resulting in relatively slow and cumbersome execution of transactions. This may give rise to a credit risk in relation to the counterparty. In general, there may be an increased risk of default and delay in clearing or settlement compared to the markets in more developed economies. As a result, the Funds may experience difficulty realizing all entitlements attaching to any investments acquired.

*Trade Execution Risk*

Many of the trading techniques to be used by the Funds will require the rapid and efficient execution of transactions. Inefficient execution can negatively impact, possibly materially, the profitability of positions, and in certain cases cause the Funds to miss a limited life market opportunity entirely.

*Regulatory Risk*

The regulation of the non-US 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 is impossible to predict, and therefore may be substantial and have a materially adverse impact on the Funds. There have recently been certain well-publicized incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. In the ordinary course of its business, the Firm, and the Funds may be subject to litigation or regulatory action from time to time. The outcome of litigation or regulatory action, which may materially adversely affect the value of the Funds, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation or regulatory action may consume substantial amounts of the Firm's time and attention, and that time and the devotion of these resources to litigation or regulatory action may, at times, be disproportionate to the amounts at stake in the litigation. The acquisition, ownership and disposition of structured investments entail certain litigation risks. Litigation may be commenced with respect to a security acquired by the Funds in relation to activities that took place prior to the Funds 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 favor of another as part of the Firm's efforts to maximize sale proceeds. Similarly, buyers of the Funds' assets may later sue the Funds under various damage theories, including those sounding in tort, for losses associated with problems not uncovered in due diligence.

*General Economic Risk*

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equities and interest-sensitive instruments. Unexpected volatility or illiquidity in the markets in which the Funds holds positions could cause the vehicles to incur losses.

**Item 9: Disciplinary Information**

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Neither Shikhara nor its supervised persons have been subject to any disciplinary action, whether criminal, civil, or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of Shikhara have been subject to such action.

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**Item 10: Other Financial Industry Affiliations**

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None of Shikhara or any of its management persons are registered as broker-dealers or registered representatives of broker-dealers, and no applications are pending to register Shikhara or any of its management persons with the SEC as a broker-dealer or registered representative of a broker-dealer. Neither Shikhara nor any of its management persons are registered as, and none currently have a pending application to register as, a futures commission merchant, commodity pool operator or a commodity trading adviser.

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

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Pursuant to Rule 204A-1 of the Investment Advisers Act, Shikhara will adopt a Compliance Manual and Code of Ethics (collectively the “Compliance Manual”) that establishes various procedures with respect to investment transactions in accounts in which employees of the Firm or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The Compliance Manual will be adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees' and partners' (or similar) trading activities.

The foundation of the Compliance Manual is based on the underlying principles that:

- Employees of Shikhara must at all times place the interests of clients first;
- Employees of Shikhara must make sure that all personal securities transactions are conducted consistent with this Compliance Manual and the Personal Account Dealing Policy contained in this Compliance Manual. All transactions should avoid any actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility; and
- Employees of Shikhara should not take inappropriate advantage of their positions. The receipt of investment opportunities, perquisites, or gifts from persons seeking business with Shikhara could call into question the exercise of an Employee's independent judgment.

The policy will extend to the trading of employees and certain other persons who have a relationship with the Firm or its personnel (“**Covered Persons**”). Covered Persons must obtain written authorization from the Chief Compliance Officer (“**CCO**”) or his/her delegate prior to purchasing, selling or transferring certain types of securities. Employees may not engage in any outside business activities or invest in private companies before obtaining authorisation from the CCO.

Shikhara owes its clients a duty of loyalty and care including a requirement to address, or at minimum disclose, conflicts of interest that may exist between different clients; between the Firm and clients; or between its Covered Persons and its clients. Therefore, the Compliance Manual is designed to detect and prevent potential problems when Shikhara Covered Persons own, buy or sell securities that also may be owned by, or bought or sold for the clients. The Compliance Manual's personal trading procedures also contain policies and procedures designed to address insider trading and the use of material, non-public information by Firm Covered Persons and to require periodic reporting of their securities transactions. The Firm maintains a list of restricted securities in which trading is prohibited. The Compliance Manual also requires all Covered Persons to maintain accounts at certain designated brokerage firms and requires disclosure of security transactions on an ongoing basis to the Firm's CCO and quarterly transaction reports to be sent to the Firm. Security holdings and

transactions are then reviewed by compliance personnel for potential conflicts and for improper use of material, non-public information.

Shikhara's compliance policies and procedures also prohibit its Covered Persons, who acquire products and services that are used in our investment activities, from being unduly influenced by the receipt of gifts, meals, or entertainment from the sellers of such products or services. Similarly, Shikhara Covered Persons are instructed not to attempt to unduly influence clients or potential clients with these or other inducements, such as charitable contributions or personnel gifts. In order to address these potential conflicts of interest, Shikhara has adopted a policy and procedure for giving and receiving gifts and entertainment under our Compliance Manual.

A copy of the Code of Ethics will be provided upon request.

## **Item 12: Brokerage Practices**

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### **Best Execution**

In effecting securities transactions, the Firm will seek to obtain best execution of orders. In determining the broker or dealer to be used and the commission rates to be paid, the Firm will consider the utility and reliability of brokerage services, including execution capability and performance, financial responsibility, investment information, market insights, other research provided by such brokers, and access to analysts, management and idea generation. Accordingly, the commissions charged by any such broker may be greater than the amount another firm might charge if the Firm determines in good faith that the amount of such commissions is reasonable in relation to the value of the brokerage services and research information provided by such brokers.

### **Trade Aggregation**

The aggregation of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients. The Firm's policy is to aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

### **Trade Allocation**

The Firm will ensure that all client orders are allocated fairly and make a record of intended basis of allocation before a transaction is effected and ensure that an executed transaction is allocated promptly in accordance with the stated intention, except where the revised allocation does not disadvantage a client and the reasons for the re-allocation are clearly documented. The Firm's policy prohibits any allocation of trades in a manner that that would allow our proprietary accounts or clients to receive more favourable treatment than other clients.

### **Principal Transactions/ Cross Trades**

The Firm may cause one or more Funds to engage in cross trades, but only to the extent Shikhara deems the transaction to be in the best interests of each Fund involved, and when the transaction is expressly permitted by the Governing Documents. To the extent that a cross trade may be viewed as a principal transaction due to the ownership interest in a Fund by a Shikhara affiliate, then Shikhara will comply with the requirements of Section 206(3) of the Advisers Act. The foregoing may include

the formation of a committee of persons unaffiliated with Shikhara to approve or disapprove of any such principal transaction on behalf of the Funds.

### **Soft Dollars**

The Funds may in the future obtain products or services other than the execution of securities transactions from brokers in exchange for the direction of brokerage transactions of the Funds to the broker ("**Soft Dollars**"). The Soft Dollars may include products or services from brokers or other third parties (for example through commission sharing agreement) such as (without limitation) research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services and software incidental to the above soft dollars, clearing and custodian services and investment related publications.

To the extent possible and appropriate, the Firm will use Soft Dollars for the benefit of the Funds but may also use the Soft Dollars for other investment funds, client accounts and proprietary accounts it may manage in the future. The Firm has not entered into formal soft dollar arrangements with brokerage firms. If Soft Dollar relationships are contemplated in the future, the Firm will establish a soft dollar policy and will adhere to the procedures as set out in the policy when engaging in soft dollar practices to ensure such arrangements comply with the safe harbour requirements of Section 28(e) of the Exchange Act.

### **Item 13: Review of Accounts**

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The Funds are reviewed and reconciled on a daily basis by the investment team to ensure that the structure and individual securities held are suitable and consistent with the objectives and strategies.

In addition, the Firm's operations team also monitors the Funds to help ensure conformity with investment objectives and guidelines. The Firm engages in active management and frequent transactions and, accordingly, performs daily trade and cash reconciliation. Shikhara will engage an independent administrator to prepare monthly unaudited investor statements reviewing the Funds' performance for the month.

### **Reporting**

The Funds will prepare their annual financial statements in accordance with United States Generally Accepted Accounting Principles ("**US GAAP**"). Copies of the audited financial statements will be issued to all Fund investors within 120 days of the fiscal year-end, ending on December 31<sup>st</sup>. The Firm may prepare and issue an investor newsletter on a monthly basis. The administrator will issue monthly account statements to Fund investors.

### **Item 14: Client Referrals and Other Compensation**

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Currently, Shikhara does not receive any economic benefit from anyone for providing investment advice and other advisory services to the Funds.

The Firm may in the future utilize placement agents and third-party distributors for marketing the Funds.

**Item 15: Custody**

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While it is Shikhara's practice not to accept or maintain physical possession of any client assets, the Firm may be deemed to have custody of certain Fund assets under current applicable regulatory interpretations for purposes of Rule 206(4)-2 of the Advisers Act.

In order to comply with Rule 206(4)-2, Shikhara utilizes the services of qualified custodians (as defined under Rule 206(4)-2) to hold all cash and securities of the Funds. In accordance with Rule 206(4)-2, Shikhara also: (1) will engaged an independent public auditor to conduct annual audits of the Funds; and (2) distribute audited financial statements of the Funds that are prepared in accordance with US GAAP to all investors within at least 120 days after the end of the fiscal year.

Additionally, each Fund investor will also receive written monthly statements from the Fund administrator with respect to the activities of the Fund(s).

Shikhara urges investors to carefully review such statements and compare such official records to the reports that Shikhara may provide to such investors.

**Item 16: Investment Discretion**

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Shikhara will possess discretionary portfolio management authority over the Funds as per the advisory agreement between the Firm and each Fund.

Shikhara will have the authority to determine (i) the securities to be purchased and sold for the client account and (ii) the amount of and to be paid for the securities to be purchased or sold for the client account.

**Item 17: Voting Client Securities**

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Where Shikhara has the responsibility for voting proxies, the Firm will take measures reasonably designed to ensure that they are voted in the best interest of its clients, which generally means voting with a view to enhancing the value of client securities. Financial interest of clients is the primary consideration in determining how their proxies should be voted. Shikhara may refrain from voting in certain circumstances.

The Firm generally accepts the authority to vote proxy or corporate actions on behalf of the Funds.

**Item 18: Financial Information**

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Shikhara does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Shikhara is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

**Item 19: Requirements for State-Registered Advisers**

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Not applicable.