

Kailash Capital Research LLC
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Item 1 - Cover Page

This Brochure (Form ADV, Part 2A) provides information about the qualifications and business practices of Kailash Capital Research LLC (“Kailash” or the “Adviser”). If you have any question about the contents of this Brochure, please contact us at 508-350-7150 or info@kailashcapital.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

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The Adviser is an investment adviser registered with the SEC. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

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Please keep a copy of this Brochure for your records.

Item 2 - Material Changes

This Brochure, also known as Form ADV, Part 2A, has been prepared according to SEC rules relating to information that must be disclosed to clients and prospective clients of certain investment advisers, such as Kailash Capital Research LLC (“Kailash”, “Adviser”, “we”, “us”, or “our”).

You may request a copy of the most recent version of this Brochure free of charge by contacting the Adviser at 508-350-7150 or info@kailashcapital.com.

The date of the last update of this Brochure was September 20, 2023.

Since the last update of this Brochure, we have not made any material changes.

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Item 4 - Advisory Business

(a) General Description of Advisory Firm

The Adviser is a NY limited liability company formed April 30, 2010. Dr. Sanjeev Bhojraj and Matthew Malgari are the principal owners of the Adviser. Mr. Malgari is the Adviser's Manager.

(b) Description of Advisory Services

Kailash is the developer and owner of computer models, methodologies, algorithms, frameworks, analytical tools, inventions, discoveries, computer software, patents and trade secrets used for asset management (the "Asset Management Products"). The Adviser uses the Asset Management Products to generate securities-related data analytics products ("Data Analytics") and publishes commentary and analysis on economic and market trends and events ("White Papers").

The Adviser has two principal lines of business. It licenses the Asset Management Products to investment advisers and sells the Data Analytics and the rights to use the White Papers to third party publishers. The Adviser's affiliated adviser L2 Asset Management, LLC ("L2") is a licensee of the Asset Management Products. Kailash and L2 share common ownership.

Clients generally pay a negotiated per annum fee for the Asset Management Products. This fee is paid in arrears. Data Analytics are generally purchased on a subscription fee or project-specific basis. White Papers are generally licensed on a subscription fee basis. Subscription fees may be structured in various manners, including as a portion of revenue earned by the client related to the Data Analytics and White Papers, subject to a minimum payment provision. Clients may negotiate fees for all Kailash products and services.

(c) Availability of Tailored Services for Individual Clients

Kailash tailors its advisory services to the needs of clients. Clients may request Data Analytics for additional specific securities markets as well as sample portfolios, including those based upon customized rankings developed through use of ranking tools.

(d) Wrap Fee Programs

The Adviser does not participate in any wrap fee program.

(e) Client Assets under Management

The Adviser does not manage client assets. It does not provide portfolio management services or manage client assets on a discretionary or non-discretionary basis.

Item 5 - Fees and Compensation

(a) Advisory Fees and Compensation

Clients generally pay a negotiated per annum fee for the Asset Management Products. This fee is paid in arrears. Data Analytics are generally purchased on a subscription fee or project-specific basis. White Papers are generally licensed on a subscription fee basis. Subscription fees may be structured in various manners, including as a portion of revenue earned by the client related to the Data Analytics and White Papers, subject to a minimum payment provision. Clients may negotiate fees for all Kailash products and services.

(b) Payment of Fees

Clients pay fees to Kailash in arrears. Kailash does not have the ability or authority to deduct fees from any client account.

(c) Other Fees and Expenses

Not applicable.

(d) Prepayment of Fees

Not applicable.

(e) Additional Compensation and Conflicts of Interest

Kailash receives a fee from a third-party publisher (the “Publisher Client”) for the Publisher Client’s use of the Data Analytics and White Papers. The fee is based on the revenue earned by the Publisher Client related to the Data Analytics and White Papers, subject to a minimum payment amount.

There exists a potential conflict of interest between the Adviser’s provision to certain clients of the Data Analytics and White Papers on the one hand, and the provision of Asset Management Products to, and their use by, the Adviser’s affiliate L2 in its asset management activities on the other hand. L2 licenses from Kailash for a fee the Asset Management Products. Kailash is controlled by Dr. Bhojraj and Mr. Malgari and is under common control with L2.

L2 manages client accounts on a discretionary basis. Due to the overlapping ownership and control of Kailash and L2, though, Kailash may have a financial incentive to create White Papers and to tailor Data Analytics in a manner that advantages clients of L2. At

any time, clients of L2 may hold positions (long or short) that are recommended or otherwise included in the Asset Management Products, Data Analytics, and White Papers produced by the Firm. To mitigate the potential conflict created by this practice, individuals with investment discretion at the L2 will not execute any securities transactions outside of systematic trading (trading (i) for index-tracking funds and accounts, (ii) related to tax-loss harvesting, (iii) in connection with scheduled portfolio rebalancing, (iv) connected with a corporate action, and (v) related to new or existing fund or account flows) within one business day subsequent to the publication of such data analytics or commentaries.

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

The Adviser does not have any performance-based fees or side-by-side management arrangements.

Item 7 - Types of Clients

Kailash's clients currently consist of asset managers (including its affiliate L2) and third-party publishers of its Data Analytics and White Papers. Kailash is not precluded from providing investment advice or services to other clients in the future.

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

(a) Methods of Analysis and Investment Strategies

Kailash's research methods are based on objective, empirically based quantitative analysis. Quantitative investment analysis is a method of evaluating securities by analyzing a large amount of data through the use of models to generate an investment thesis or recommendation. Kailash's research is derived from publicly available raw financial data (e.g., financial ratios, sales, earnings, revenue, dividend information, free cash flows, stock buybacks and capital expenditures), and consists of information on thousands of equity securities and tens of thousands of commonly recognized data points.

The Data Analytics include, among other things, company rankings based upon common financial industry metrics such as those referenced above, and a set of "ranking tools," which allow users to manipulate and customize the Data Analytics to their individual preferences and needs. Clients may request Data Analytics for additional specific securities markets as well as sample portfolios, including those based upon customized rankings developed through use of the ranking tools.

Kailash's research approach is intended to find undiscovered value by ferreting out atypically high-quality businesses for their level of valuation. Its processes assess quality across many metrics and then identify stocks that may not be appropriately valued. These processes allow Kailash to compare the relative merits of every company with equity securities traded in the U.S. in its applicable universe of equities that meet the Adviser's data requirements.

Kailash evaluates stocks using variables or factors that can be classified broadly into various categories, including "valuation" and "earnings quality." "Valuation" contains traditional measures such as the dividend-to-price ratio and the earnings-to-price ratio, and "earnings quality" is used to assess the quality of earnings using measures such as accounting accruals and inventory turnover. Other variables focus on measures of analysts' forecasts, balance sheet quality, market movements and return patterns, including short and long-term price momentum. Final suitability for investment is determined after imposing additional sorting and merging procedures using some or all of these variables.

The Adviser's White Papers, generally published on a monthly basis, offer views on macro-and micro-economic trends, financial markets and individual companies and securities. The papers provide impersonalized advice (i.e., advice not tailored to the individual needs of a specific client or group of clients) in that they focus primarily on general market and economic trends and make no recommendations regarding the purchase or sale of securities.

The development of an investment strategy is a continuous and evolving process, and the Adviser's investment strategy and methods may therefore be modified from time to time. Kailash's research methods are confidential and the descriptions of them in this Brochure are not exhaustive.

(b) Material Risks

- Financial Models. The Adviser generates certain proprietary and standard financial models to assess risk. Financial models attempt to account for risk and uncertainty. Despite their mathematical sophistication, at best they provide an oversimplification of reality and rely on data or models that may be incomplete or inaccurate. The complex reality of the financial world, however, is not and cannot be reflected in a mathematical model. In the universe of finance, the behavior of individuals determines the value of individual financial instruments, and behavior can, and in crises, frequently does, change. In addition, incomplete or inaccurate data inputted into the Adviser's financial models is likely to compromise the models' integrity and generate inaccurate recommendations. Furthermore, errors, including but not limited to, inaccuracies in or corruption of data underlying algorithms, may occur in complex calculations and computer programs which may be difficult to detect, and could have a material adverse effect on recommendations. Highly successful models may become outdated over time, even before the Kailash is able

to recognize the shift.

Dependence upon the Key Personnel. The Adviser's success in generating its Asset Management Products, Data Analytics, and White Papers will depend on the skill and acumen of Dr. Bhojraj and Mr. Malgari. If Dr. Bhojraj and Mr. Malgari should cease to participate in the Adviser's business, the Adviser's success could be severely impaired.

- Data Integrity. The Adviser depends on data from numerous vendors for its Asset Management Products, Data Analytics, and White Papers. There is a risk of inaccurate data being provided to the Adviser from its vendors which could negatively impact models. The data is obtained from vendors believed to be reliable, but the Adviser does not guarantee the reliability of such sources.
- Investment Risks in General. The prices of securities and other financial instruments are volatile. Market movements are difficult to predict and are influenced by, among other things: government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace.
- Cybersecurity. The information and technology systems of the Adviser and of key service providers to Kailash may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Kailash has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Kailash to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Kailash and result in a failure to maintain the security, confidentiality or privacy of sensitive data.
- Systems and Operational Risk. Kailash relies heavily on certain financial, accounting, data processing and other operational systems and services that are employed by Kailash. These programs or systems may be subject to certain defects, failures or interruptions.
- Business Continuity Risk. Kailash has adopted a business continuation strategy to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers or networks. The recovery strategies are designed to limit the impact on clients from any business

interruption or disaster. Nevertheless, our ability to conduct business can be curtailed by a disruption in the infrastructure that supports our operations.

Item 9 - Disciplinary Information

None.

Item 10 - Other Financial Industry Activities and Affiliations

(a) Broker-Dealer Registration Status

Not applicable.

(b) Commodities Related Registration

Not applicable.

(c) Material Relationships or Arrangements with Industry Participants

As noted above, Kailash leases the Asset Management Products to its affiliated investment adviser L2. Dr. Bhojraj and Mr. Malgari, as well as one other individual have ownership interests in both Kailash and L2.

See Item 5 for a discussion of the conflicts of interest created by the relationship between Kailash and L2.

(d) Material Conflicts of Interest Relating to Other Investment Advisers

Kailash does not recommend or select other investment advisers for its clients.

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

The Adviser's compliance policies and procedures, as well as its Code of Ethics, are administered primarily by the Adviser's Chief Compliance Officer.

(a) Code of Ethics

The Adviser has adopted a Code of Ethics for all of its employees that describes the Adviser's high standard of business conduct, and its fiduciary duty to its clients. The Code of Ethics and the Adviser's compliance policies include policies and procedures relating to, among other things: confidentiality of client information, handling of material non-public information and prohibitions on insider trading, gifts and entertainment, outside activities, political contributions, personal account trading,

trading in client accounts and prohibitions on market manipulation, and disclosure (anti-fraud) requirements. All supervised persons at the Adviser must acknowledge annually the terms of the Code of Ethics and the compliance policies and procedures. Investors or prospective investors may request a copy of the Adviser's Code of Ethics by contacting the Adviser's Chief Compliance Officer at 508-350-7150 or info@kailashcapital.com.

(b) Investing in Securities where Adviser has a Material Financial Interest

Neither Kailash nor any of its related persons recommends to clients, or buys from or sells to clients, securities in which the Adviser has a material financial interest; however, as described above, Kailash may recommend securities in which collective investment funds or separately managed accounts managed by L2, an affiliate of Kailash, have a material financial interest. Dr. Bhojraj and Mr. Malgari, as well as other key employees of the Adviser, maintain substantial investments in certain of these collective investment funds and separately managed accounts. Accordingly, the Adviser may be recommending securities in which it does, indirectly through its owners' interest in L2 and investments described above, have a material financial interest.

Neither the Adviser nor any of its related persons buys or sells as principal (i.e., in a principal transaction) securities to or from client accounts, except in accordance with the Advisers Act and with the consent of the Adviser's Chief Compliance Officer.

(c) Investing in Securities Recommended to Clients; Contemporaneous Trading

The Code of Ethics contains specific policies and procedures regarding restrictions on personal trading. In addition, the Code of Ethics and the Adviser's compliance policies provide that each employee has the responsibility to be sure that he or she is not benefitting in any personal investment at the expense of Adviser's clients and that the employee is not damaging the employee's own or the Adviser's reputation by trading on the Adviser's recommendations to its clients.

The Adviser has implemented monitoring of employees' personal security accounts transaction and holdings reports on a regular basis in order to identify and address any conflicts of interest that might arise, including front-running, market manipulation, or insider trading.

Item 12 - Brokerage Practices

Kailash does not hold, manage or trade securities on behalf of its clients, and does not select broker-dealers for client transactions or determine the reasonableness of their compensation.

Item 13 - Review of Accounts

Kailash does not review client accounts.

Item 14 - Client Referrals and Other Compensation

Kailash does not compensate third parties for client referrals or receive compensation from other sources.

Item 15 - Custody

Kailash does not have custody or control of client accounts and assets.

Item 16 - Investment Discretion

Kailash does not have discretionary authority to manage securities accounts on behalf of its clients.

Item 17 - Voting Client Securities

Kailash does not hold securities on behalf of its clients and does not vote proxies on behalf of its clients.

Item 18 - Financial Information

Kailash does not require or solicit prepayment of fees.