

Part 2A of Form ADV: Firm *Brochure*

Item 1: Cover Page

Venus Capital Management, Inc.
99 Summer Street, M100
Boston, MA 02110

Phone: 617-423-1901
Website: www.venuscapital.com

Date: March 2015

This brochure provides information about the qualifications and business practices of Venus Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at 617-423-1901. 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 Venus Capital Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Venus Capital Management, Inc. is a Registered Investment Adviser. That registration does not imply a certain level of skill or training.

Item 2: Material Changes

The following material changes to the firm brochure have been made since our most recent annual update filed on March 31, 2014:

- We have clarified that clients agree to pay management fees in advance.
- We have provided more detailed descriptions of the investment objectives, strategies and fees applicable to the funds consistent with private placement memoranda.

Item 3: Table of Contents

Contents

Item 1: Cover Page	1
Item 2: Material Changes.....	2
Item 3: Table of Contents	2
Item 4: Advisory Business	3
Item 5: Fees and Compensation	6
Item 6: Performance-Based Fees and Side-By-Side Management	10
Item 7: Types of <i>Clients</i>	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9: Disciplinary Information	22
Item 10: Other Financial Industry Activities and Affiliations	24
Item 11: Code of Ethics, Participation or Interest in <i>Client</i> Transactions and Personal Trading	24
Item 12: Brokerage Practices	26
Item 13: Review of Accounts	27
Item 14: Client Referrals and Other Compensation.....	28
Item 15: Custody	29
Item 16: Investment Discretion	30
Item 17: Voting <i>Client</i> Securities.....	31
Item 18: Financial Information	32
Form ADV Part 2B.....	33

Item 4: Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Venus Capital Management, Inc. was founded in 1994 and registered with the Securities & Exchange Commission as a Registered Investment Adviser in 2000. Initially, Venus focused on money management for wealthy families but has evolved into a firm that specializes in investing in emerging markets. Venus was founded by Vik Mehrotra and is owned by 2 family trusts - Mehrotra Children's Irrevocable Trust, 2010 and Vikas Mehrotra Family Irrevocable Trust, dated, July 31, 2009. The Trustees of these two trusts are Mr. Shripal Mehta and Ms. Neelu Mehrotra respectively.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

Venus Capital Management specializes in making investments in the emerging markets. Research and trading is specialized in both quantitative and fundamental strategies with an overlay of macro considerations.

Over its many years of presence in emerging markets, Venus Capital has developed strong relationships with brokers, analysts, fund managers and independent investors, all of whom are invaluable in assisting us to identify, source, and analyze these opportunities.

The investment strategies followed by the 3 funds (together "the Funds") are as below:

VENUS INDIA STRUCTURED FINANCE FUND

The general investment objective of the Fund is to provide a medium through which investors may participate primarily in secured and unsecured lending to Indian companies and to companies which undertake business in India and to the principal shareholders and promoters of such companies. The objective of the Fund is to preserve capital and generate current yield with a potential for capital appreciation, primarily through investment in a combination of senior and/or subordinated debt and warrants issued by Indian Companies across industries and sectors and loans to their principal shareholders and promoters. The Investment Manager may have to invest in illiquid instruments with no active market. As a result these investments may be hard to value. The Investment Manager will also have discretion to invest Fund assets in options, futures and forwards contracts, swaps, other

derivatives and currencies in order to hedge certain risks and for the purposes of efficient portfolio management and investment.

VENUS GLOBAL MACRO FUND

The fund will allocate capital with a global focus to capture long-term macro-economic shifts as well as medium and short-term price trends. The Investment Manager will shift between concentrated bets and diversified portfolio-style investments depending on whichever offers a more compelling risk-reward characteristic. The fund may invest in a variety of securities including, equities, fixed income instruments, convertibles, foreign currency convertible bonds, derivatives (including single stock futures, index futures, currency futures, commodity futures, and other futures, options and futures on options, interest rate futures, volatility futures), money market instruments, contracts for differences (CFD), total return swaps, IPOs and pre-IPO opportunities. The fund may enter into OTC derivative contracts and also utilize swaps in pursuit of its objectives and enter into ISDA agreements with various counterparties to achieve the objectives of the Fund. The Investment Manager may use several qualitative and quantitative parameters and do fundamental analysis before incorporating a position into the fund's portfolio.

VENUS RELATIVE VALUE FUND

The objective of the Fund is to seek long term capital growth through execution of several different relative value strategies. All buy and sell decisions are signaled by quantitative systemic proprietary computer models based on historical relationships of securities and anomalies created due to volatility in the market. These computer models are an integral part of decision making. Large bloc trading is a significant part of the Fund. The Investment Manager believes that investors cause aberrations in the marketplace when they buy (demand) and sell (supply) securities in large quantities, and need liquidity to be provided. Due to these aberrations, small price differentials arise in two comparable securities or industries. The objective of the fund is to take advantage of these relative values or price divergences and produce very low volatility by hedging at the individual security level. The Investment Manager intends the fund to have uncorrelated returns with any Index or market and almost all of the returns will come from alpha generation, hence producing a high Sharpe ratio.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of *clients*. Explain whether *clients* may impose restrictions on investing in certain securities or types of securities.

The majority of the firm's clients are the Funds, and the investment advice for each is tailored according to the investment parameters for each Fund. However, as our firm offers a few different hedge funds

as investment vehicles to potential investors, as well as the possibility of managed accounts, Venus can customize advisory services for any client.

The mandate of each of the Funds is described in its PPM and is based on the strategy chosen and objectives to be achieved. Venus can bespoke a portfolio or advice for any investor who may seek such services and in that case, the investor can request restrictions and risk parameters it desires.

D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

We do not offer wrap fee accounts.

E. If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a *non-discretionary basis*. Disclose the date “as of” which you calculated the amounts.

The assets under management of the firm as of December 31st, 2014 were approximately \$397.6 million.

Approximately, \$82.6 million were invested through our hedge funds with the fund manager having the discretion on where to invest, within the parameters of the mandate of each fund, as disclosed to the investors.

Approximately, \$315 million were being advised upon to a corporation. With respect to this corporate account Venus Capital Management Inc. provides only advice and does not initiate specific security executions.

Item 5: Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

- We typically charge our clients (the Funds) a 2% management fee and a 20% performance fee.
- Some investors are able to negotiate discounts to these and many are offered share classes with lower fees when investing into the Funds.
- Managed accounts can be done at a fixed percentage or flat fee.
- See below a detailed description of our fees by fund:

VENUS INDIA STRUCTURED FINANCE FUND

Management Fees

As compensation for the management of the Fund, the Fund will pay to the Investment Manager (or its designee) in respect of each Class, management fees ("Management Fees") payable calendar quarterly in advance in an amount equal to one-quarter per cent (0.25%) (1.0% per annum) for Classes invested in vanilla debt securities and one-half per cent (0.5%) (2.0% per annum) for Classes invested through the equity of VIAF or another NBFC or in debt securities with equity kickers, multiplied by the Net Asset Value of the Shares of that Class determined at the start of business on the first Business Day of each calendar quarter, and in the case of the first subscription to a Class, determined on the date of issue of the Shares of that Class, including all contributions made as of such date. A pro rata portion will be charged if the Class is issued or redeemed in whole on a date other than the first or last Business Day of a calendar quarter respectively. In addition, the Investment Manager may waive the Management Fee in whole or in part for any Shareholder by rebating all or a portion of such fee to such Shareholder. The Investment Manager expects to waive the Management Fee for itself and for its employees and affiliates. The Investment Manager may, in its discretion, designate an affiliate to receive such Management Fees.

Performance Fee

In addition to the Management Fees, the Investment Manager (or its designee) will be paid a performance fee in respect of each Class ("Performance Fee") equal to 10 per cent for Classes invested in vanilla debt securities and 20 per cent for Classes invested through VIAF or other NBFCs or in debt securities with equity kickers, of the amount by which the Net Asset Value of the Shares of that Class at the end of each calendar quarter plus all distributions made on such Shares during the calendar quarter, (making no provision for any Performance Fee) exceeds the Net Asset Value of the Shares of that Class at the end of the previous calendar quarter or in the case of a newly issued Class, on the date of issue of the Shares of that Class (in all cases disregarding redemptions). A Performance Fee will only be paid if the Net Asset Value of the Shares of that Class at the end of any calendar quarter plus all distributions made on such Shares during the calendar quarter, (making no provision for any Performance Fee) exceeds the previous highest Net Asset Value of the Shares of that Class on which a Performance Fee was paid, as adjusted for redemptions. The Performance Fee shall be paid on each calendar quarter date. The Performance Fee may be implemented through the capital structure of the Fund by the issuance of Shares to the Investment Manager (or its designee) with the prior written approval of the Investment Manager.

VENUS GLOBAL MACRO FUND

Management Fees

As compensation for the management of the Fund, the Fund will pay to the Investment Manager (or its designee) in respect of each Class or Series (as the case may be), management fees ("Management Fees") payable monthly in advance in an amount equal to one twelfth (1/12) of the Management Fee Percentage for the Class or Series of Shares held by the Shareholder, multiplied by the Net Asset Value of the Shares of that Class or Series determined at the start of business on the first Business Day of each month, including contributions made as of such date. The Management Fee Percentage for each Class or Series may be different. In addition, the Investment Manager may waive the Management Fee in whole or in part for any Shareholder by rebating all or a portion of such fee to such Shareholder. The Investment Manager expects to waive the Management Fee for itself and for its employees and affiliates. The Investment Manager may, in its discretion, designate an affiliate to receive such Management Fees.

Performance Fee

A Performance Fee will be payable by the Fund to the Investment Manager (or its designee) monthly, as of the last Business Day of each calendar month (or upon the termination of the Fund other than on the last Business Day of a calendar month), (each such date, a "Measurement Date") based on the return to

each Class or Series (as the case may be) of Shares and each Shareholder is charged for the Performance Fee attributable to its Shares of the Fund. Performance Fees will also be charged upon a redemption of Shares with respect to such Shares, and upon termination of the Fund. In addition, the Investment Manager may waive the Performance Fee in whole or in part for any Shareholder by rebating all or a portion of such fee to such Shareholder. The Investment Manager expects to waive the Performance Fee for itself and for its employees and affiliates.

As of any Measurement Date, the Performance Fee payable in relation to a Class or Series will be equal to the Performance Fee Percentage (as herein defined) for each Class or Series, multiplied by the amount, if any, by which the Net Asset Value of such Class or Series exceeds the Previous High Water Mark (as defined below) for such Class or Series. The Performance Fee percentage for each Class ("Performance Fee Percentage") may be different. The Net Asset Value of a Class or Series is determined net of all Management Fees but before accruing for Performance Fees.

VENUS RELATIVE VALUE FUND

Management Fees

As compensation for the management of the Fund, the Fund will pay to the Investment Manager (or its designee), monthly Management Fees in advance equal to the sum of (i) one-twelfth of two percent of the Net Asset Value of the Class A Shares and (ii) one-twelfth of one percent of the Net Asset Value of the Class C Shares, determined in each case at the start of business on the first Business Day of each month and including contributions made as of such date. A pro rata portion will be refunded if the Fund ends on a date other than the last day of a month. The Investment Manager may waive the Management Fee in whole or in part for any Investor by rebating all or a portion of such fee to such investor or by setting up a separate class ("Class") or series ("Series") of Shares. Such investors will be issued a specific Class of Shares to account for such waiver. The Investment Manager expects to waive the Management Fee for itself and for its employees and affiliates. The Investment Manager may, in its discretion, designate an affiliate to receive such Management Fees. Class B Shares will not be charged a Management Fee.

Performance Fee

Performance fees will be payable by the Fund to the Investment Manager (or its designee) monthly, as of the close of business on the last Business Day of each calendar month upon determination of the final Net Asset Value (or upon the termination of the Fund other than on the last Business Day of a calendar month), based on the return to each Series of Class A Shares and Class C Shares, and each Investor is charged for the performance fee attributable to its Class A Shares and/or Class C Shares (as applicable) of the Fund (each such date, a "Measurement Date"). Performance fees will also be charged upon redemption of Class A Shares or Class C Shares with respect to such Shares, and upon termination of the Fund. Class B Shares will not be charged a performance fee.

With respect to Class A Shares, as of any Measurement Date, performance fees will be equal to 20% of the amount by which the Net Asset Value of each Series of Class A Shares exceeds the Previous High Water Mark (as defined below) for such Series.

With respect to Class C Shares, as of any Measurement Date, performance fees will be equal to 15% of the amount by which the Net Asset Value of each Series of Class C Shares exceeds the Previous High Water Mark for such Series

The Net Asset Value of a Series is determined net of all management fees.

B. Describe whether you deduct fees from *clients'* assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

In case of Funds, the fees are charged directly and calculated by a third party administrator. Funds do not receive any separate invoices. The fee is reflected in the monthly or quarterly NAV statements they receive.

In case of managed accounts and other clients, like corporations, the clients pay the fee separately.

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

The Funds are responsible for paying normal fees to the independent service providers like administrators, custodians, brokers and auditors. The Funds typically have an expense ratio of 1% or less of the assets under management. However, the level of assets in each Fund ultimately determines the expense ratio for such Fund. The investors into the Funds do not get a separate bill for these administrative costs as the NAV reflects the net value, after these costs. However, in the annual report, they can see these costs. Brokerage is discussed in Item 12 of this Brochure.

D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

The funds pay the management fee in advance at the start of each valuation period, which is monthly for Venus Relative Value Fund and Venus Global Macro Fund but quarterly for Venus India Structured Finance Fund. The advisory agreements with the clients (Funds) require a notice of termination that extends for the duration of the period for which the management fee has been paid, and therefore there is no potential situation where a refund would be required.

E. If you or any of your *supervised persons* accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact.

No person at our firm is compensated for the sale of securities or investment products.

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

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

Our Funds typically charge investors a 2% management fee and a 20% performance fee unless discounted. One of the funds charges a 1% management fee and a 10% performance fee. The performance fee is charged at the Fund level and no individual at the firm gets a fee. So, there is no conflict of interest.

We believe that performance-based fees serve to align our interests with the interests of our clients who pay such fees. However, such performance-based fees may create a conflict of interest by giving us and our affiliates a financial incentive to make investment decisions that are riskier or more speculative than those that would be made in the absence of such performance-based fees.

In addition, side-by-side management scenarios create a potential conflict of interest by giving us and our affiliates an incentive to devote more resources or allocate more favorable investment opportunities to client accounts that pay performance-based fees or higher performance-based fees instead of those that pay only fixed fees or lower performance-based fees.

A variety of measures are in place to mitigate these risks. The most significant safeguard is the fact that, typically, there is no overlap of investment objectives between client accounts; accordingly, investment opportunities do not often overlap between these types of client accounts.

In addition, our investment allocation policy requires us to allocate investments between competing clients on a fair and equitable basis, having due regard for concentration and other suitability risks, timing in the respective clients' investment periods, required capital commitments relative to the remaining capital of the respective clients, and the portfolio of assets held by respective clients. The primary basis for allocating investment opportunities is finding the best "fit" among competing clients when these metrics are considered.

If these considerations do not yield a definitive conclusion regarding the allocation, the investment will either be allocated (1) on a client rotation schedule, or (2) if appropriate in light of the metrics discussed above, jointly to the respective clients on a co-investment basis.

Investment allocation decisions are never made based on which of two (or more) competing clients will yield the greatest financial reward to Venus Capital.

Item 7: Types of *Clients*

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Our clients are generally the Funds that we manage. In turn, investors, who invest in these Funds are accredited investors, family offices, fund-of-funds, pension funds, endowments and other institutional investors. The Funds in which they invest have a minimum investment requirement generally between \$100,000 to \$1 million or even more.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

The offering memorandum of each one of our funds provides the detail about the investment strategies we pursue, risks associated with the markets and strategies the funds are involved in. The investment strategies have been outlined in Section 4 of this brochure. The investment process followed by each fund is outlined below and the risk factors are described in the next section (8B).

VENUS INDIA STRUCTURED FINANCE FUND

The Investment Manager will employ bottom-up credit and equity research, with the assistance in some cases of Country Advisors, to lend to borrowers that can meet contractual repayment terms and that, in certain cases, are expected to exhibit strong equity growth in the medium to long term. Country Advisors may also co-lend and co-invest with the Fund. Country Advisors may also assist the Fund in taking enforcement action in respect of its investments if required. VIAF has appointed IFCI Venture Capital Funds Limited as a Country Advisor on the basis described below. As at the date of this Memorandum, no co-investments have been made, although many of the Fund's investments have been originated through IFCI Venture.

Investments may be made across all industries and sectors. The attention of investors is drawn to Investment Restrictions below.

The first step is to ensure the credit quality of the borrower and the sufficiency of the collateral, if any, being offered. This is done by a thorough analysis of the company's financial performance, position, leverage and capital structure, working capital cycle, liquidity and solvency. Cash flow analysis is done to establish the borrower's ability to service and repay debt. Wherever required credit appraisals from independent credit rating agencies may be consulted. A legal team analyzes the collateral's title, if applicable, while experts determine its value.

The next step is closely to study ownership interests in the underlying assets, the stakeholders and the first mortgage lenders, if applicable. In such cases, the terms of the inter-creditor agreement specify the rights of each lender and will establish the interests and restrictions in the event of a default. Wherever feasible, the Fund's objective will be to set the terms such that the subordinate lender can carry out remedial action before any adverse action is taken by the senior lender.

VENUS RELATIVE VALUE FUND

In order to execute the strategy, the Investment Manager has developed computerized systemic proprietary models based on the more than two decades of collective investing experience of its investment professionals. These models are quantitative in nature though the strategy does also require various qualitative aspects. The models are linked to various sources of data feeds, in order to run live during market hours. Though a spread (price differential) in a relative value trade can be quantified, the Investment Manager also has to pay attention to qualitative aspects of understanding liquidity and events related to each specific security. The Investment Manager believes global volatility assists in the execution of the relative value strategy, and that irrational exuberance by market participants on a daily basis causes imbalances in the demand and supply of securities, giving the opportunity to provide liquidity at the right price differentials. The Investment Manager further believes that market participants tend to make emotional decisions at certain times, and react differently in different market places for the same event or news, henceforth affecting the price of the same company differently in different markets. All buy and sell decisions are signaled by quantitative systemic proprietary computer models based on historical relationships of securities and anomalies created due to volatility in the market. These computer models are an integral part of decision making. Large bloc trading is a significant part of the Fund.

The Investment Manager believes that speed and low cost of execution are the keys to the success of the relative value strategy. The Investment Manager has a substantial network of broker-dealers and relationships to source large blocks of securities at low transaction costs. Venus Capital seeks to be nimble, including by directing its internal resources towards technology, particularly software, to cultivate an advantage of speedy execution over other market participants.

It is the belief of the Investment Manager that risk is not synonymous with uncertainty, but rather that risk and reward are inseparable components of an uncertain return. The range of possible returns and the probabilities associated with them describe the shape of uncertainty (technically this is called a probability distribution). To the extent that one can describe the uncertainty associated with an investment, one can manage the risk component with the quantitative tools at hand. Hence, the Investment Manager's goal is to quantify the downside, in dollar terms, with respect to each trade.

VENUS GLOBAL MACRO FUND

The Investment Manager believes that markets are inefficient and the best opportunities from which the Fund may benefit may very well be when markets are most volatile, for it is under such circumstances that the Investment Manager believes investors tend to act most emotionally and

irrationally. It is the belief of the Investment Manager that risk is not synonymous with uncertainty, but rather that risk and reward are inseparable components of an uncertain return. The range of possible returns and the probabilities associated with them describe the shape of uncertainty (technically this is called a probability distribution). To the extent that one can describe the uncertainty associated with an investment, one can manage the risk component with the quantitative tools at hand.

The investment selection process begins with identifying macro-economic catalysts such as policy and regulatory changes, demand-supply dislocations and so on. Geographies, assets classes, sectors and industries that will be most significantly impacted by these catalysts are then filtered using fundamental and demand-supply studies. The next step is to identify the most efficient way of setting up the trade that captures the opportunity. This involves identifying the instrument that has the most direct correlation to the catalyst and the strategy that optimizes the use of capital.

The portfolio of each Class or Series of Shares may be constructed with:

1. a -CORE- central tier that has long-term strategic holdings,
2. a -DYNAMIC- secondary tier that has tactical positions, and,
3. a -MOMENTUM- tertiary tier that has medium-term trades,

or one or more of the above.

Risk mitigation is evaluated using quantitative tools and derivative instruments, in particular. The objective of risk mitigation is to attempt to achieve the Fund's objective with the least amount of risk. Finally, the position is evaluated based on the worst case scenario impact it can have on the net assets of the Fund. For certain Classes or Series of Shares, the Fund may not mitigate any of the potential risks.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Nature of Securities Investments. Venus Capital will be investing substantially all of the Master Fund's assets in securities of issuers in global emerging markets, including in Asia, Latin America, South Africa and the Middle East and North Africa (MENA), some of which may be particularly sensitive to economic, market, industry and other variable conditions. In addition, there may be limited information available about investment targets and the targets may have limited internal reporting and accounting systems. No assurance can be given as to when or whether adverse events might occur which could cause immediate and significant losses to the Master Fund.

Risks in Emerging Market Countries. The Master Fund is subject to various risks incidental to investing in and/or managing businesses abroad, including nationalization, expropriation or confiscatory taxation, political and economic instability and diplomatic developments which could affect investments in those countries. The economies of certain countries may differ favourably or unfavourably from the economies of

more industrialized countries, in such respects as growth of domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Moreover, economic factors in various international markets can affect demand for the goods and services of issuers of securities held by the Master Fund. In addition, there is the greater difficulty of administering business abroad and the need to comply with a wide variety of foreign laws and regulatory requirements.

The laws and regulations in some of the countries in which the Master Fund may have exposure are subject to frequent changes driven by economic, social and political instability. The legal systems in certain countries may be transitional and the laws regulating securities transactions, protection of investors and ensuring market discipline, which are customary in countries with developed securities markets, are not always available. Where the legal and regulatory framework is in place, the enforcement may be inadequate or insufficient.

Some of the countries where the Master Fund may have exposure may not recognize regulation by the exchanges and self-regulatory organizations as law that can be enforced through the judiciary or by means otherwise available to the investors in developed markets.

Derivatives regulation and trading has not been developed in some of the countries where the Master Fund may have exposure. The investments made by the Master Fund may not be recognized as securities protected by the securities laws in the countries where the investments are made. Investments that are recognized as securities under the local laws are often traded on the foreign exchanges with very little liquidity, thus adversely affecting the ability of the securities holders to liquidate their investment holdings.

Some of the countries where the Master Fund may have exposure currently have or may in the future introduce foreign exchange control regulations which can limit the ability of an investor to repatriate the dividends or other income from the investments or the proceeds from sale of securities.

Risks associated with the investments in emerging market countries, including but not limited to the risks described above, could adversely affect the performance of the Master Fund and result in substantial losses.

Certain Stock Sales. The Investment Manager may take positions in certain portfolio companies when it believes a security is overvalued, including for hedging purposes. To profit from such transactions, the Investment Manager would expect or hope that the price of a particular stock will fall at a future date. To engage in such transactions, the Master Fund would borrow stock to sell at market prices and if the price falls, it would be able to buy the lot back from the market at a lower price than it purchased it for, and upon returning the borrowed stock, realize a profit. Engaging in this type of transaction may present greater risk than purchasing a security, as there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a “long” position is limited to the purchase price of the security.

Use of Leverage. The Investment Manager will use leveraged borrowing or investing only when it believes doing so is an appropriate means to enhance its returns. By using leverage, the Master Fund may be able to purchase a larger portfolio using a small amount of capital. Although margin borrowing usually will be fully collateralized, the Master Fund’s assets may change in value while a borrowing is

outstanding. A relatively small price movement in an investment may, as a result of such leverage, result in exaggerated and substantial losses to the Master Fund. In the event that the Master Fund, or an investment vehicle or separate account in which the Master Fund invests, employs a substantial degree of leverage in its investment operations, the Master Fund and the Investors will be subject to substantial risk of loss. With volatile instruments, downward price swings can result in margin calls that could require liquidation of securities at inopportune times.

Risks of Investments in Options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid, plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. In the event that an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver or take delivery of an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Over-the-counter options, which the Master Fund may use in its investment strategies, generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

Other Derivative Investments. Derivative instruments, or "derivatives," include futures, options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only result in the loss of the entire investment, but may also expose the Master Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risks, as there may not be a liquid market through which to close or dispose of outstanding derivatives contracts. The Fund achieves counter positions through the sale of futures in the Indian market. Such futures get settled on the last Thursday of every month, others are rolled over from month to month. If prices of the futures have gone down at the time of monthly rollover, then the Fund may incur a loss.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, which was enacted in the United States on July 21, 2010, extensively changed the regulation of swaps and other derivative instruments in the United States. While the Master Fund does not generally trade derivatives in the United States, the changes enacted

by the Dodd-Frank Act and implementing regulations that will be adopted by the SEC and the United States Commodity Futures Trading Commission ("CFTC") could have unanticipated impacts on the costs and manner of implementation of derivative transactions by the Master Fund.

No Assurance of Investment Return. There can be no assurance that the Master Fund will be able to locate, make, manage and liquidate its investments successfully, that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There may be little or no near-term cash flow available to the Shareholders from the Fund, and there can be no assurance that the Fund will pay any dividends to the Shareholders. Partial or complete sales, transfers, or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. The Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. An investment in the Fund should only be considered by persons who can afford a loss of their entire investment. There can be no assurance that the Fund or Master Fund will be able to implement its investment strategy and investment approach or achieve its investment objective.

Unspecified Use of Proceeds. As of the date of this Memorandum, many of the investments that will be made by the Master Fund have not been finally selected. Investors will not have an opportunity prior to investing to evaluate any of the investments to be made by the Fund or Master Fund, or the relevant economic, financial and other information regarding such investments and, accordingly, will be entirely dependent upon the judgment and ability of the Investment Manager in investing and managing the capital of the Fund.

Operating and Financial Risks of Portfolio Companies. One of the fundamental risks associated with the Master Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments when due. While the Master Fund will generally target investing in high quality companies, these companies could still present a high degree of business and credit risk. Companies in which the Master Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. As a result, companies which the Master Fund expected to be stable may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

Illiquid and Long-Term Investments. The Master Fund may invest its assets in long-term investments, many of which will consist of private, illiquid securities. There will not be any readily available market for many of the Master Fund's investments. Shareholders should expect that they will not receive a return of capital for several years even if the Master Fund's investments prove successful. In addition, there can be no assurance that the distribution of dividends, if any, from the Fund to the Shareholders will be sufficient to cover any Shareholder's tax obligations arising from taxable income of the Fund.

CFTC Exemption. Although the Master Fund may invest and trade in futures, the Investment Manager is not registered with the CFTC as a commodity pool operator due to the exemption described below. As a result, unlike a registered commodity pool operator, the Investment Manager is not required to deliver a disclosure document prepared in accordance with CFTC regulations and a certified annual report to participants in the Fund. The Investment Manager is exempt from registration because participation in the Fund is limited to (i) qualified purchasers, (ii) non-U.S. persons, and (iii) knowledgeable employees of the Manager. In addition, the Funds will not be marketed as a vehicle for trading commodity interests.

The Investment Manager is not registered with the CFTC as a Commodity Trading Advisor in reliance on an exemption.

Potential Roll-Over of Futures. The Master Fund may invest in single stock futures and index futures to execute some of its strategies. These futures typically expire during the last week of each month and are either rolled over to the next month's futures contracts or are closed. If the futures are held for rolling purposes, they are exposed to the risk that the next month's futures contracts may be trading at a significant discount to the current local price and this may result in losses in these investments. These investments may also be exposed to liquidity risks if there is no liquid market through which to close the contract or roll over the futures contracts.

Undervalued or Incorrectly Valued Securities. Securities which the Investment Manager believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Investment Manager anticipates. As a result, the Master Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Master Fund's investment in any instrument and some obligations and preferred stock in which the Master Fund invests will be less than investment grade.

Portfolio Liquidity and Transfer Restrictions. As a result of the Investment Manager's investment strategies, certain investments (especially those involving private companies or financially distressed entities) may have to be held for a substantial period of time before they can be liquidated to the Master Fund's greatest advantage or, in some cases, at all. The Master Fund's investments may also include private securities which may be subject to substantial legal or other restrictions on transferability and for which there may be no readily available market. The market prices, if any, for such securities tend to be quite volatile and the Investment Manager may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Workouts and Startups. Investments in distressed companies and new ventures are subject to greater risk of loss than investments in companies with more stable operations or financial conditions.

Control Positions. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business entities may be ignored.

Economic and Regulatory Climate. Changing market and economic conditions, and other factors such as changes in federal or state tax laws, federal or state securities laws or accounting standards, may make corporate mergers, exchange offers, tender offers or other similar transactions less desirable or may make trading activities engaged in by the Master Fund less profitable. In particular, it should be

noted that many tender offers, acquisitions and other corporate reorganizations require the acquirer to obtain high levels of financing to successfully complete the transaction. As a result of cycles of uncertainty in credit markets, such financing may become difficult to obtain, and therefore adversely affect the Master Fund's opportunities and investments.

Market Volatility and Execution Risk. Changing global market and economic conditions may affect the quantity and quality of available relative value trades on a counterbalanced or hedged basis, and therefore limit the investment opportunities available to the Master Fund. Due to time differences in various world markets, the Master Fund will be exposed to overnight risks of one-side positions. Overseas markets therefore may open with gaps and cause losses for the Master Fund.

Diversification. While the Investment Manager generally seeks to cause the Master Fund to be amply diversified, there may be times at which it may be concentrated in fewer positions, when the Investment Manager has strong convictions about those securities. The Investment Manager may invest as much as 20% (measured at the time of investment) of the Master Fund's assets in a single security or group of securities of the same issuer. Such percentage may also subsequently increase if that security's performance is strong relative to that of the other holdings in the Master Fund, or because of distributions to investors therein. Thus, at times, the results of the Master Fund may be heavily dependent on a relatively small number of investments.

Risk Arbitrage Transactions. The Investment Manager may seek to purchase securities for the Master Fund at prices below their anticipated value following the occurrence of a predicted event, including proposed mergers, tender offers, takeover bids, exchange offers, spin-offs, liquidations, corporate restructuring or similar transactions. The purchase price of such securities may be in excess of the market price of the securities immediately prior to the announcement of the proposed transaction. If the proposed transaction is not consummated or is delayed, the market price of the security may decline and result in significant losses to the Master Fund. In certain transactions, the Master Fund may not be hedged against market fluctuations unrelated to the anticipated transaction but which may affect the value of the consideration to be received. This may result in losses, even if the proposed transaction is consummated.

Commodities. Investments in commodities futures and options contracts involve numerous risks which include leverage (margin is usually only 5-15% of the face value of the contract, and exposure can be nearly unlimited), illiquidity, governmental intervention designed to influence commodity prices, and credit risk vis-à-vis the contract counterparty.

Currency Speculation. Currency exchange rates have been highly volatile in recent years and the Master Fund is able to invest in currencies with nearly unlimited leverage. The combination of volatility and leverage gives rise to the possibility of large profits and large losses. In addition, there is counterparty risk since currency trading is done on a principal to principal basis.

Foreign Securities. The Master Fund intends to invest in securities of issuers in several global emerging markets. Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration, regulation or economic or monetary policy

(both in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of the Master Fund assets denominated in those currencies and thereby impact upon the Master Fund's total return on such assets.

Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Master Fund assets and any effects of foreign social, economic or political instability. Foreign companies may not be subject to the same regulatory requirements as U.S. companies and, as such, there may be less publicly available information about such companies.

Technology Companies. Investing in securities and other instruments of technology companies involves substantial risks, including the following: certain companies in the portfolio of the Master Fund may have limited or no operating histories; rapidly changing technologies may cause products to quickly become obsolete; cyclical patterns in information technology spending may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate technological training may slow or impede companies' growth; the possibility of lawsuits related to technological patents; changing investors' sentiments and preferences with regard to technology sector investments (which are generally perceived as risky) may have an adverse effect on the price of underlying securities; volatility in the U.S. stock markets affecting the prices of technology company securities may cause the performance of the Master Fund to experience substantial volatility; and certain technology sector companies may be subject to extensive government regulation. In addition, many technology sector companies in the health care field may have substantial and ongoing capital needs for research and development, clinical trials and marketing and may have difficulty obtaining such funding under various market conditions or even under normal market conditions or such capital may be obtained on terms that are not favorable to existing equity holders. Furthermore, obtaining government approval for new products from governmental agencies can be lengthy, expensive and uncertain.

Small and Medium Capitalization Companies. A portion of the Master Fund's portfolio, as well as the portfolios of the investment vehicles and separate accounts in which the Master Fund may invest, may be invested in the stocks of companies with small to medium-sized market capitalizations, including growth stage companies. While the Investment Manager believes such companies often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalizations stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be highly illiquid.

Some small companies have limited product lines, distribution channels and financial and managerial resources. The Master Fund may invest, either directly or through investment vehicles and separate accounts in which the Master Fund may invest, in companies which may have product lines that have, in

whole or in part, only recently been introduced to the market or that may still be in the research or development state. Such companies may also be dependent upon key personnel with limited experience.

Turnover. The Master Fund's activities involve investments on the basis of various short-term market considerations. The turnover rate of the Master Fund is expected to be significant, potentially involving substantial brokerage commissions and fees.

Aggregation of Trades. The Investment Manager manages other portfolios and expects that the Master Fund and other portfolios it manages will, from time to time, purchase or sell the same securities, and the Investment Manager expects that it may aggregate trades on a regular basis for the Master Fund and such other portfolios it manages. Investors should be aware that if the Investment Manager comes into possession of material inside information of an issuer in connection with one of the accounts it manages, it will be unable to trade securities issued by such issuer for all accounts under management until the information is made public.

Risks in investing in Debt Securities

The various risks involved in investing in debt are given below:

Credit Risk: The risk of non-payment of principal and/or interest to investors can be at two levels: Special Purpose Vehicle (SPV) and the underlying assets. Since the SPV is normally structured to have no other activity apart from the asset pool sold by the originator, the credit risk principally lies with the underlying asset pool. A careful analysis of the underlying credit quality of the obligors and the correlation between the obligors needs to be carried out to ascertain the probability of default of the asset pool. A well-diversified asset portfolio can significantly reduce the simultaneous occurrence of default.

Sovereign Risk: In case of cross-border debt transactions where the assets and investors belong to different countries, there is a risk to the investor in the form of non-payment or imposition of additional taxes on the income and capital repatriation. This risk can be mitigated by having a foreign guarantor or by structuring the SPV in an offshore location or having a neutral country of jurisdiction.

Collateral Deterioration Risk: Sometimes the collateral against which credit is secured to the obligor may undergo a severe deterioration. When this coincides with a default by the obligor then there is a severe risk of non-payment to the investors. A recent example of this is the sub-prime crisis in the US.

Legal Risk: Debt transactions hinge on a very important principle of "bankruptcy remoteness" of the SPV from the sponsor. Structuring the asset transfer and the legal structure of the SPV are key points that determine if the SPV can uphold its right over the underlying assets, if the obligor declares bankruptcy or undergoes liquidation.

Prepayment Risk: Payments made in excess of the scheduled principal payments are called prepayments. Prepayments occur due to a change in the macro-economic or competitive industry situation. For example in case of residential mortgages, when interest rates go down, individuals may

prefer to refinance their fixed rate mortgage at lower interest rates. Competitors offering better terms could also be a reason for prepayment. In a declining interest rate regime prepayment poses an interest rate risk to the investors as they have to reinvest the proceedings at a lower interest rate. This problem is more severe in case of investors holding long term bonds. This can be mitigated by structuring the tranches such that prepayments are used to pay off the principal and interest of short-term bonds.

Servicer Performance Risk: The servicer performs important tasks of collecting principal and interest, keeping a tab on delinquency, maintaining statistics of payment, disseminating the same to investors and other administrative tasks. The failure of the servicer in carrying out its function can seriously affect payments to the investors.

Swap Counterparty Risk: Some debt transactions are so structured wherein the floating rate payments of obligors are converted into fixed payments using swaps. Failure on the part of the swap counterparty can affect the stability of cash flows of the investors.

Financial Guarantor Risk: Sometimes external credit protection in the form of insurance or guarantee is provided by an external agency. Guarantor failure can adversely impact the stability of cash flows to the investors.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Same risks as detailed in Section B above.

Item 9: Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a *management person*

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a *management person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.

None

B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which your firm or a *management person*

1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
2. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation and was the subject of an *order* by the agency or authority
 - (a) denying, suspending, or revoking the authorization of your firm or a *management person* to act in an *investment-related* business;
 - (b) barring or suspending your firm's or a *management person's* association with an *investment-related* business;
 - (c) otherwise significantly limiting your firm's or a *management person's* *investment-related* activities;or
- (d) imposing a civil money penalty of more than \$2,500 on your firm or a *management person*.

In 2007, Venus Capital Management and other related Venus entities, not including the Funds (collectively "Venus"), were named in a complaint by the Securities and Exchange Board of India in relation to Venus' investment in the December 2006 IPO of Nissan Copper. Venus subscribed to the IPO, which floated at Rs 39, and sold its shares at Rs 42. The case was settled, without admission of guilt or wrongdoing. ON AUGUST 4, 2008, VENUS ACCEPTED A CONSENT ORDER IN FULL AND FINAL SETTLEMENT ON A NO FAULT BASIS, RELINQUISHING \$545,000 IN WITHHELD PROFITS

C. A self-regulatory organization (SRO) proceeding in which your firm or a *management person*
1. was *found* to have caused an *investment-related* business to lose its authorization to do business;
or 2. was *found* to have been *involved* in a violation of the SRO's rules and was: (i) barred or
suspended from membership or from association with other members, or was expelled from
membership; (ii) otherwise significantly limited from *investment-related* activities; or (iii) fined more
than \$2,500.

None

Item 10: Other Financial Industry Activities and Affiliations

A. If you or any of your *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

No

B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

No

C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Venus Capital Management, Inc. is the Investment Manager for two hedge funds namely, Venus Relative Value Fund and Venus Global Macro Fund.

Venus Capital Management, Inc. also owns another investment adviser, namely Venus Capital Management Company, which is the Investment Manager of the Venus India Structured Finance Fund. This presents no conflict of interest for clients.

D. If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

None

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

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

We have a comprehensive code of ethics governing all our actions. In summary, the code of ethics commands that the interests of clients always comes first; personal securities transactions must follow the guidelines laid out and be properly disclosed; any potential conflicts of interest must be promptly reported; all compliance and confidentiality procedures must be rigorously followed.

We will provide the copy of our code of ethics to any client or potential client upon request.

B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

While related persons usually invest in our own funds, they do not have a material financial interest in any of the securities held by the funds.

C. If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Not Applicable.

D. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Not applicable.

Item 12: Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

In selecting brokers to effect portfolio transactions, we consider such factors as price, the ability of the brokers to effect the transaction, the brokers' facilities, reliability and financial responsibility and products or services offered by the broker that may benefit the clients.

We have taken a decision not to use soft dollar arrangements. We have historically not used soft dollars. However, this decision is subject to change if management feels it is appropriate to accept soft dollars and the law permits. Investors will be notified in case this soft dollar policy is changed. The firm's code of ethics manual elaborates the soft dollar policy.

Best Execution

The firm also maintains a fiduciary duty to seek the best execution pricing available for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

Venus Capital Management's primary objective when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as price, size of order, difficulty of execution, and broker skill. Based on these criteria, the firm may not necessarily pay the lowest commission or commission equivalent, as specific transactions can involve specialized services on the part of the broker.

Venus Capital Management evaluates daily whether clients are receiving best execution to ensure the services provided by broker-dealers remain competitive and are in the best interest of the firm's clients.

Item 13: Review of Accounts

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

Individual investors in our Funds typically have their own financial planners.

With respect to our Funds and to the extent, we have managed accounts or individually designed bespoke portfolios. We review each of them regularly. The fund manager reviews the portfolios on a daily basis.

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review.

Daily portfolio changes may require the Fund accounts to be reviewed daily by the fund manager. Based on the strategy, some may require weekly, monthly or quarterly reviews.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

We provide written monthly or quarterly statements to investors in our Funds as required by each Fund's mandate.

Item 14: Client Referrals and Other Compensation

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

We may from time to time engage sub-advisors to benefit from their investment expertise. They are compensated through a share of the fees we earn (as disclosed earlier). No additional fee is charged to any investor and there are no conflicts of interest.

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

We may enter into written arrangements to pay cash referral fees to individuals or companies who recommend prospective clients or investors. In these cases, there will be a written agreement which clearly defines the duties and responsibilities of the solicitor under this arrangement. In addition, each Solicitor is required to provide a written disclosure document, which explains to the prospective client the terms under which the Solicitor is working with the Firm and the fact that the Solicitor is being compensated for the referral activities. The Solicitor is also required to furnish a copy of the Investment Manager's written disclosure document (Form ADV) to the prospective client or investor and obtain a written acknowledgement from the client that both the Solicitor's and the Investment Manager's disclosure documents have been received.

Item 15: Custody

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

We appoint reputable qualified custodians for holding the custody of assets in our Funds. An independent third party administrator calculates and verifies the monthly Net Asset Value and sends out statements to fund investors.

Item 16: Investment Discretion

If you accept *discretionary authority* to manage securities accounts on behalf of *clients*, disclose this fact and describe any limitations *clients* may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (*e.g.*, execution of a power of attorney).

The clients decide to invest in one of our funds after reviewing the fund's mandate and risk profile. As the investment manager, we have full discretion on making investment decisions within the parameters of the mandate defined for the fund.

Item 17: Voting *Client* Securities

A. If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

The Firm provides discretionary investment advice to the Funds. The Firm votes proxies for the investments held by the Fund.

With regard to the Fund, the Firm is responsible for seeing that proxies and other corporate actions are acted upon in a timely manner. The Firm is adopting Advisers Act Rule 206(4)-6 ("Proxy Rule") regarding proxy voting. The Firm's proxy voting policies and procedures are designed to ensure the Firm will act in a prudent and diligent manner and to assure compliance with the Proxy Rule.

Guidelines

Proxies and other actions requiring a vote by shareholders or partners will be reviewed on an individual basis and generally voted with management, unless it is not deemed to be in the best interest of shareholders. In cases where the Firm does not vote with management, the reasons for the vote will be documented and maintained in accordance with the record keeping requirements below.

The Compliance Officer is responsible for ensuring that all proxies that it is required to vote are voted on in a timely manner and in a manner consistent with the Firm's determination of the client's best interests.

Should a vote be deemed to present a material conflict of interest, such as a conflict between the interests of the client on the one hand and those of the Firm on the other hand, then the matter is subject to resolution by an independent third party to make the determination.

The Firm is required to describe its proxy voting policies and procedures to clients and, upon written request, provide clients with a copy of those policies and procedures.

Item 18: Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

2. Show parenthetically the market or fair value of securities included at cost.

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your *brochure*.

Venus does not solicit or require prepayment of more than \$1,200 in fees per client, six months or more in advance.

FORM ADV Uniform Application for Investment Adviser Registration
Part 2B: Brochure Supplements
Investment Adviser Representatives and/or Supervised Persons: Supplemental information
Item 1: Cover Page

Vik Mehrotra

Individual CRD# 2141791

Venus Capital Management
99 Summer Street, M100
Boston, MA 02110
(617) 423-1901
Firm CRD# 151495

Website: www.venuscapital.com

March 2015

This brochure supplement provides information about the above-named individual that supplements the Venus Capital Management, Inc. Form ADV Part 2A which has been provided for your review. Should you have any questions about this supplement, or if you have not received the Form ADV Part 2A please contact the firm immediately. The information in this brochure supplement has not been approved or verified by the United States

Securities and Exchange Commission or by any state securities authority. Please note, where this brochure supplement may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training. Additional information about the firm and its personnel is also available on the SEC’s website at www.adviserinfo.sec.gov

Name: Vik Mehrotra

Year Born:

1968

Education:

- Vik has a Masters in Business Administration (MBA) from Rochester Institute of Technology, with a specialization in finance and investment management and a further focus on derivatives and International trading
- Vik has an undergraduate degree in Accounting and Economics from the University of Delhi in India.

Licenses/Professional Designations:

Series 65

Business Background

Vik Mehrotra is the founder and CEO of Venus Capital. Vik has been actively investing in Asia since 1989; establishing Venus Capital in 1994 as an Asia focused wealth management firm and launching several hedge funds focused on generating alpha from Asia. Vik's risk-averse investment style has garnered him many coveted awards such as the 2004 and 2005 Asia Hedge Fund of the Year Award, 2007 HFM Week US award, 2011 Hedgeweek US and Europe award for Best Relative Value Fund and 2011 HFM week best "Macro fund under US\$1bn" award.

Vik regularly speaks at several conferences on Emerging Markets including the Absolute Return Symposium in New York, Annual Institutional Investment Conference in San Francisco, Annual MarHedge European Conference in Geneva, Terrapin in Hong Kong and GAIM USA conference in Boca Raton.

Vik founded Venus Capital Management, Inc. in 1994 as a wealth management firm and from 1996 transitioned its focus to a hedge fund management firm focused on emerging markets. Venus was a pioneer in launching one of the earliest India dedicated hedge funds in 1996. Venus also pioneered in creating alpha producing strategies from India, since 2003. In more recent times, Venus has focused on broader emerging markets.

Before founding Venus, Vik worked as a wealth manager for family offices at UBS, from 1991 to early 1994.

Item 3: Disciplinary Information

-none-

Items 4 and 5: Other Business Activities and Additional Compensation

Along with Mr. Mehrotra successful public market investing, he has made several successful private equity investments.

Item 6: Supervision

As president and CEO, Vik Mehrotra is responsible for supervising all activities of the firm.