

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

**Cover Page**

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**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](http://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.

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## 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 Advisory company in 2000. Initially, Venus focused on money management for wealthy families but has evolved into a firm that specializes in investing in emerging markets. As a result, our investor base now includes high net worth individuals, family offices, pension funds, endowment funds and fund of funds. Venus was founded by Vik Mehrotra and is owned by a family trust.

**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.

**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.**

Our firm offers a few different hedge funds as investment vehicles to potential investors. Venus can customize advisory services for any client. These hedge funds are our clients.

The investors review the mandate of each fund and its risk profile and make their own decision whether to invest in any of our funds. Almost all the investors in funds are institutional.

**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 31<sup>st</sup>, 2011 was approximately \$95 million. These assets 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.

## Fees and Compensation

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

Our hedge funds typically charge investors 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.

**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.**

The fees are charged directly to the funds in which the clients have invested. The clients do not receive a separate bill for the fees incurred as it is already reflected in the monthly NAV statements they receive.

**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 in which the clients are invested, are responsible for paying normal fees to the service providers like administrators, custodians, and brokers. The funds typically have an expense ratio of 1% of the assets under management. However, the level of assets in the fund ultimately determines the expense ratio. The investors do not get a separate bill for these transaction costs as they have already paid through the fund in which they have invested.

**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 clients do not pay our fees in advance.

**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.

***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 hedge funds typically charge investors a 2% management fee and a 20% performance fee unless discounted. 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.

## 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 the hedge funds that we manage. In turn, investors, who invest in these funds are high net-worth individuals, family offices, fund-of-funds, pension funds, endowments and other institutional investors. The funds in which they invest have a requirement of minimum investment generally between \$100,000 to \$1 million.

## 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.

**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 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.

***Risks in Emerging Market Countries.*** There are 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 favorably or unfavorably 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. 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. Some of the countries 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.

***Certain Stock Sales.*** We may take positions in certain portfolio companies when it believes a security is overvalued, including for hedging purposes. To profit from such transactions, we would expect or hope that the price of a particular stock will fall at a future date. To engage in such transactions, we 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.*** We will use leveraged borrowing or investing only when it believes doing so is an appropriate means to enhance its returns. A relatively small price movement in an investment may, as a result of such leverage, result in exaggerated and substantial losses. 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.

**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.

**Potential Roll-Over of Futures.** We 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 funds may lose all or substantially all of its investment in any particular instance.

**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.

**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.

**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.

## 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*.**

None

**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

## 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.

None

**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

## 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 command that the interest of clients always comes first; personal securities transactions must follow the guidelines laid out and 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 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.**

Related persons would usually invest in our own funds. We do not have such conflicts of interest.

**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.**

We do not have such conflicts of interest.

**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.**

We do not have such conflicts of interest.

## 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 necessary and law permits. Investors will be notified incase soft dollar policy is changed. The firm's code of ethics manual elaborates the soft dollar policy.

## 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.**

We manage open-ended hedge funds in which the clients invest after their own due diligence. The clients are free to subscribe in our funds or to redeem as they see fit. The fund managers review the portfolios on daily basis.

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

Daily portfolio changes require the fund managers to review accounts daily.

**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 monthly statements to investors in our funds, along with a monthly newsletter and a risk report.

## ***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.



## 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 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.

## 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.

## 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 separately managed accounts as well as the Funds. The Firm votes proxies for the investments held by the Fund. The investment management agreements for separate accounts expressly provide that the Firm does not vote proxies on behalf of separate account clients.

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.

### **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*.

## Requirements for State-Registered Advisers

**A. Identify each of your principal executive officers and *management persons*, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.**

Vik Mehrotra, Date of Birth 04/25/1968. Vik Mehrotra is the founder and CEO of Venus Capital. Vik has been in the investment arena, managing money since 1991, when he joined UBS, one of the largest investment banking firms in USA, from June 1991 to February 1994. Vik has a Masters in Business Administration (MBA) from Rochester Institute of Technology, with specialization in finance and investment management and further focus on derivatives and International trading. Vik has an undergraduate degree in Accounting and Economics from University of Delhi in India.

**B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.**

None

**C. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a *supervised person* are compensated for advisory services with *performance-based fees*, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the *client*.**

Our funds carry a performance fee of 20%. All investment strategies and risks are disclosed upfront in the offering memorandum of each of our funds.

**D. If you or a *management person* has been *involved* in one of the events listed below, disclose all material facts regarding the event.**

**1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:**

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

**2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:**

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

In 2006, the Investment Manager and other related Venus entities, not including the Funds, were named in a complaint by Devadutt Mishal. While filed in April 2006, the complaint covered the period when the Investment Manager was in wealth management business. The case was settled in 2006, without admission of guilt or wrongdoing.

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.

The minority partner and majority partner of the General Partner of Venus Arbitrage Fund LP, Venus Investment Partners, LLC, mutually agreed to arbitration to resolve a dispute about the percentage of ownership of the General Partner. The minority partner claimed participation in all future Venus funds through their participation in the General Partner. While an award was issued as a result of the arbitration on December 7, 2007, there is no impact on any Funds managed by Venus, as the minority partner did not receive participation in future Venus funds. There are no pending monetary liabilities in this case, though Venus is contemplating litigation against the minority partners to recover excess moneys paid. The minority partners filed new complaints, in March 2010, staking ownership claims in new Venus funds. Venus sees no merit in their claims, given the strong language in the arbitration decision about future funds.

In 2007, the Investment Manager and some other related Venus entities, not including the Fund, were named as defendants in a complaint filed in the United States District Court for the District of Massachusetts by the D.B. Zwirn Special Opportunities Fund, L.P. The complaint alleged that D.B. Zwirn was defrauded by certain third parties, and based on the fact that the third parties had previously transacted business with Venus, the suit alleged that Venus likely knew of and thus assisted the fraud. The suit was dismissed in late 2007. The DB Zwirn Special Opportunities Fund is under liquidation and the firm's assets have been taken over by the Fortress Investment Group. In May 2010, Fortress filed a case against Vik Mehrotra, not Venus or any of the Funds, concerning this matter. The case was dismissed by the federal court on January 31, 2011 and Fortress had appealed against the decision. That appeal was finally dismissed in December 2011 and there is no other action pending in this matter.