

**ITEM 1: COVER PAGE**

**FORM ADV 2A**

**KAZIMIR PARTNERS LIMITED**

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JANUARY, 2012

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This brochure provides information about the qualifications and business practices of **KAZIMIR PARTNERS LIMITED** (“Kazimir or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (212) 446-1760. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authorities. Kazimir may refer to itself as a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about Kazimir is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: MATERIAL CHANGES**

The last annual update of this Brochure was filed by Kazimir Partners Limited (“Kazimir,” the “Adviser” or the “Firm,”) with the SEC on February 15, 2011.

## **IMPORTANT NOTE ABOUT THIS BROCHURE**

**This Brochure is not:**

- **an offer or agreement to provide advisory services to any person**
- **an offer to sell interests (or a solicitation of an offer to purchase interests) in any Kazimir Fund**
- **a complete discussion of the features, risks or conflicts associated with any Kazimir Fund or Advisory Service**
- **to be relied on in determining whether to invest or establish an advisory relationship**

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), Kazimir provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Kazimir Fund, together with other relevant offering materials (such as subscription agreements, offering memoranda, operating agreements or advisory contracts), prior to, or in connection with, such persons’ establishment or consideration of an investment advisory relationship with Kazimir or an investment in a Kazimir Fund. Additionally, this Brochure is available through the Securities and Exchange Commission’s (“SEC’s”) Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of Kazimir, persons who receive this Brochure (whether or not from Kazimir) should be aware that it is designed solely to provide information about Kazimir as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant offering materials. In addition, more complete information about each Kazimir Fund, as well as Kazimir’s investment advisory services, is included in relevant offering materials, certain of which may be provided to current and eligible prospective clients or investors only by Kazimir or an Administrator or Placement Agent. To the extent that there is any conflict between discussions herein and similar or related discussions in any offering materials, the relevant offering materials shall govern and control.

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#### **ITEM 4: ADVISORY BUSINESS**

##### *a) Background*

Kazimir Partners Limited (“Kazimir” or the “Firm”), together with its affiliates, provides specialized and professional investment management and advisory services in the Russian, CIS and Caspian region securities and debt markets, as well as managed accounts tailored to clients' specific mandates. The Firm offers advisory and investment management services to a number of collective investment schemes (the “Funds”). The Firm is based in the Cayman Islands with offices in New York, London, Moscow, and Baku. The Firm has been offering advisory services since 2002. Frank Mosier is the Firm's founder and principal owner.

##### *b) Advisory Services*

The Firm provides investment advice to its clients primarily in relation to Russia and the former Soviet Union (FSU) securities markets. Kazimir offers specialized and professional investment management and advisory services in the Russian, CIS and Caspian region securities and debt markets, as well as managed accounts tailored to clients' specific mandates.

##### *c) Tailored Advice and Client-Imposed Restrictions*

Each Kazimir Fund has its own investment objectives, strategies and restrictions. Certain Kazimir Funds focus on a narrow investment strategy while others may pursue a broader investment strategy. Kazimir prepares offering materials with respect to each Kazimir Fund that contain more detailed information, including a description of the investment objective and strategy or strategies employed and related restrictions. These serve as a limitation on Kazimir's management. Separate Account Clients can also impose restrictions on Kazimir's management through documents relating the Investment Program for the Client.

While Separate Accounts may be reasonably tailored based on the individual needs of a Client, as agreed to with Kazimir, none of the Kazimir Funds is tailored to meet the individualized investment needs of any particular investor (“Investor”). An investment in a Kazimir Fund does not create a client-adviser relationship between Kazimir and an Investor. Further discussion of the strategies, investments and risks associated with a Kazimir Fund or Separate Account management is included in the relevant materials for each type of Client.

Clients and Investors must consider whether a particular Kazimir Fund or advisory relationship is appropriate to their own circumstances based on all relevant factors including, but not limited to, the Client's or Investor's own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective Clients and Investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant offering materials for

the Funds or the documents relating to the proposed Investment Program for the Separate Account and the additional details about Kazimir's investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

*d) Wrap Fee Disclosure*

Not applicable.

*e) Assets Under Management*

As of December 31, 2011 the Firm had \$300 Million Regulatory Assets Under Management.

## **ITEM 5: FEES AND COMPENSATION**

### *a) Compensation*

#### **Private Funds Fees**

Kazimir receives a management fee from each Fund based on net assets under management. Each Fund's prospectus or offering documents specifies the management fee, but generally the Fee ranges from 1.5% to 2% annually (the "Management Fee"). The Management Fee is paid quarterly, in advance, based on the net assets of each Fund as of the last business day of the quarter.

In addition, the Firm (or its affiliate) generally receives performance compensation equal to 20% of the Funds' net profits (the "Performance Fee"). This fee may be with or without a hurdle rate, as set out in each individual Fund's prospectus or offering memorandum. The Performance Fee is charged by the Firm (or its affiliate) in compliance with Rule 205-3 under the Investment Advisers Act of 1940, where applicable. Kazimir, in its sole discretion, may waive or reduce the Management Fee and/or the Performance Fee or amend any other restrictions with regard to investors that are employees or affiliates of the Firm, relatives of such persons, and for certain strategic investors.

#### **Managed Accounts**

The Adviser may offer separate account management to clients with a fee equivalent to the one that the Adviser receives for managing its private funds. This fee may be negotiable depending on the account size, the total investment by that client in all products, the aggregate investment by related accounts, the complexity of any additional guidelines provided by the client and other discretionary factors.

### *b) Billing*

Management fees are automatically deducted from the accounts of Fund Investors. Separate Account Clients are billed for fees incurred.

### *c) Other Expenses*

Clients are responsible for and do incur other expenses separate and apart from the Firm's management and performance based fees. These expenses typically include fees charged by each Fund, custody fees, brokerage services and other transaction fees, and/or expenses associated with



the investment vehicle in which assets are invested. Up to a 3% subscription fee may be charged on certain Funds. In addition, a redemption fee for early redemptions may be charged. Details are disclosed in the Funds offering memoranda

*d) Advance Billing*

As discussed above, with respect to the Kazimir Funds the management fee is payable in advance calculated and paid in US Dollars. With respect to managed accounts, management fees may be paid quarterly or monthly, in advance or in arrears, as agreed on with the Client. Investors in the Funds who withdraw will generally not be refunded any portion of the management fee payable for that calendar quarter. For Separate Accounts that are terminated prior to the end of the period, fees paid in advance will be refunded only if agreed to by the parties.

*e) Sales-based Compensation*

Not applicable.

Neither the Adviser nor any of its employees or affiliates accepts additional compensation for the sale of securities or other services or other investment services or products.

## **ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Firm charges all clients' fees based on a share of capital gains on or capital appreciation of the client's assets under management. The Performance Fee is charged by the Firm (or its affiliate) in compliance with Rule 205-3 under the Investment Advisers Act of 1940. The Management Fee and Performance Fee are negotiable. The Firm, in its sole discretion, may waive or reduce the Management Fee and/or the Performance Fee or amend any other restrictions with regard to investors that are employees or affiliates of the Firm, relatives of such persons, and for certain strategic investors.

Performance-based compensation may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized. Incentive fees are only charged to "qualified clients" in accordance with Rule 205-3 under the Advisers Act. In the future, not all compensation arrangements will necessarily include a performance component, and the rate and nature of the calculation of performance compensation and bonuses may vary.

Incentive fees and differences in their calculation may result in certain conflicts of interest, such as motivating Kazimir to invest Client funds in assets with heightened risk profiles that have the potential to produce relatively higher returns or causing Kazimir to favor certain Clients over others.

In addition, Kazimir may compensate or provide discretionary bonuses to portfolio managers that are based on, among other things, the performance of Client accounts they manage or are otherwise responsible for. Kazimir or its personnel or affiliates may have other pecuniary interests in the Kazimir Funds.

## **SPECIFIC CONFLICTS OF INTEREST AND KAZIMIR'S PRACTICES DESIGNED TO MITIGATE SUCH CONFLICTS OF INTEREST**

Like all investment advisers who advise multiple accounts or funds having different fee structures, Kazimir and its personnel face actual and potential conflicts of interest, including an incentive to favor those accounts in which Kazimir or its personnel have greater pecuniary interests over other accounts. Such conflicts of interest and Kazimir's practices that are designed to mitigate such conflicts of interest are discussed below. As a general matter, Kazimir addresses such conflicts by following a thorough, detailed, and consistent investment decision-making process and by regular reviews of investments by the Adviser's Investment Committee.

- **Allocation of Investments.** Kazimir may have an incentive to allocate investment opportunities based on pecuniary interest. Kazimir and its personnel will face a conflict of interest when considering how to allocate limited investment opportunities among accounts having different fee structures or pecuniary interests, including Kazimir Funds in which an affiliate is an investor. Through its relevant policies and procedures, Kazimir

seeks to promote fair and equitable treatment of accounts (including the allocation of investment opportunities), over time, based on considerations that are unrelated to pecuniary interests (as discussed in Item 12).

- **Compensation of Kazimir and its Personnel.** Kazimir and its personnel have an incentive to take on more risk when compensation is based on performance: The receipt of performance-based compensation and the payment of bonuses relating to performance of Client accounts creates an incentive to make riskier investments than might be made in the absence of performance-based compensation, as such compensation generally allows participation in gains in excess of exposure to losses. On the other hand, performance-based compensation encourages an alignment of long-term investment interests between the Client and Kazimir. Moreover, performance-based compensation may be subject to mechanisms designed to ensure that prior losses are recouped and/or a certain level of gains is achieved before any performance-based compensation accrues, such as loss carryforwards, hurdle rates, and/or high water marks. Furthermore, as discussed in more detail in Item 13, Kazimir reviews the Client accounts that it advises on a regular basis to monitor risk levels. In addition, engaging in high risk investment practices that cause adverse performance will have a negative impact on the receipt by Kazimir of performance-based compensation and the receipt of discretionary bonuses paid to portfolio managers.
- **Performance-based Fees for Adviser and Valuations.** When Kazimir's compensation is based on the value or performance of investments, Kazimir has an incentive to value a position at a price higher than it might otherwise be valued or to accelerate or defer realizations. To the extent that performance allocations may be based on increases in the net assets of a Kazimir Fund or Separate Account, Kazimir's compensation would be based upon unrealized appreciation as well as realized appreciation. This means that Kazimir may be compensated on performance that is ultimately not realized if positions decrease in value and are subsequently sold at a loss. The potential for inflated valuation of positions is increased when such positions are illiquid or otherwise lack a readily ascertainable market value. Kazimir seeks to mitigate this conflict by valuing assets in accordance with its written Valuation Policy, which is reasonably designed to assure that valuations are performed in a consistent and thorough manner that insulates the conflict. In accordance with the Valuation Policy, Kazimir considers the views of outside experts, including third-party valuation firms, in determining the value of illiquid or other hard to value assets.
- **Cross-Transactions.** When Kazimir engages in cross-transactions, it has an incentive to favor accounts in which it has a greater pecuniary interest: Kazimir may, from time to time, enter into cross-transactions between the various accounts it advises. Kazimir will conduct such transactions in accordance with policies to promote fairness to all participating accounts (e.g., by assuring that an appropriate price is assigned to the security being crossed). Where required by law or the governing documents for a Client account, cross transactions are subject to Client consent prior to settlement and

information about the transaction, including the nature of the rebalancing transaction, the price at which it will be effected and Kazimir's position as principal, if applicable, are provided to allow the Client to determine whether or not to consent.

- **Other Conflict Mitigation Practices.** Many of the conflicts resulting from performance-based fees and side-by side management are mitigated by Kazimir's relevant policies and procedures. As a general principle, Kazimir requires that potential conflicts of interest be addressed by placing Client interests before personal or proprietary interests. Kazimir also has instituted trading policies to promote fair treatment of Kazimir Funds and Separate Accounts based on considerations unrelated to pecuniary interests to ensure that, wherever possible and over time, opportunities are allocated in a fair and equitable manner.

## **ITEM 7: TYPES OF CLIENTS**

Kazimir, together with its affiliated entities, provides advisory and investment management services to a number of collective investment schemes (the “Funds”) and separately managed accounts tailored to specific client mandates. The Funds are typically organized as limited partnerships, limited liability companies, or similar legal entities. The Funds are not considered “investment companies” as defined under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to definition exemptions under Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. Interests in the Funds are only available to qualified investors.

The Firm’s separately managed accounts generally include pension funds, insurance companies, banks, foundations, endowments, trusts, estates, family offices and other institutions. Investors in the collective investment vehicles primarily include US and non-US individuals, estates, charitable organizations, banks and corporations.

The minimum investment amount for each Fund is typically \$1,000,000. The minimum subsequent investment is \$250,000. Minimum investment amounts may be waived in the sole discretion of the Firm. There is no minimum for managed accounts subject to individual negotiation.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### *a) Methods of Analysis and Investment Strategies*

Kazimir uses rigorous bottom-up investment process with top-down risk controls. We apply classic fundamental analysis in the region's developing political and regulatory environment, seeking to construct concentrated portfolios of high conviction trades while continuously searching for asymmetric trades. Our investment approach includes:

- Proprietary database of over 400 companies as well as in-house research on non-traded companies:
  - For blue chips, use of Street research with adjustments to brokers' models based on proprietary forecasts
  - In-house modeling of thinly covered and private companies
- Meetings and calls with management teams
- Research reports for all newly initiated positions and updates for existing positions including:
  - Investment rationale
  - Competitive position (locally and globally)
  - Industry overview
  - Identification of catalysts
  - Risks to forecasts
  - Target price and return expectations

The Firm seeks to generate superior long-term capital returns for its clients by investing primarily in equity securities of companies in Russia and other countries of the former Soviet Union. The Firm may also invest in debt securities. Some strategies may include hedging instruments to reduce volatility. Each Fund's prospectus provides details about its particular investment strategy.

### *b) Material Risks Associated with the Investment Strategies*

Investing in securities in general involves risks of loss that clients should be prepared to bear. There can be no assurance that the Funds' investment objectives will be achieved, or that an investor in a Fund will receive a return of its capital, and therefore, an investor should only invest in a Fund if such investor is able to withstand a total loss of its investment. In addition, there will be occasions when the general partner of a Fund and its affiliates may encounter potential conflicts of interest in connection with the activities of such Fund. The following considerations, among others, should be carefully evaluated before making an investment in any Fund.

*No assurance of returns.* There can be no assurance that the investors in any Fund will receive distributions from such Fund in an amount equal to their respective investments in such Fund. The timing of profit realization, if any, is highly uncertain.

*Lack of operating history.* The Funds and their general partners begin as newly formed entities, and, accordingly has no operating history or investments upon which investors can evaluate the potential performance of any given Fund. The prior performance of the principals of any of the general partners (the "***Principals***") or their investments, whether with respect to any of the Funds or otherwise, is not necessarily indicative of any Fund's future results. There can be no assurance that investments by any Fund or under the direction of any or all of the Principals will achieve returns comparable to their historical performance, and in any event, the returns achieved by any given Fund will be subject to management fees and such Fund's general partner's carried interest. Any given investment made by a Fund may prove to be worthless, and there is a risk that investors could lose money.

*Reliance on a Fund's General Partner.* The general partner of a Fund will have sole discretion over the investment of the funds committed to such Fund as well as the ultimate realization of any profits. The investors in any Fund will not receive the detailed financial information issued by portfolio companies that will be available to such Fund. Accordingly, such investors will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by such general partner in its selection of investments for such Fund. As such, the pool of funds in such Fund represents a blind pool of funds. Investors in any Fund will be relying on such Fund's general partner to identify, structure, and implement investments consistent with such Fund's investment objectives and policies and to conduct the business of such Fund as contemplated by the offering documents related to any such Fund. The limited partner investors will not make decisions with respect to the management, disposition or other realization of any investment made by any Fund, or other decisions regarding such Fund's business and affairs.

*Reliance on the Principals.* The loss of one or more of the Principals could have a significant adverse impact on the business of any Fund and its financial performance. No assurances can be given that each of the Principals will continue to be affiliated with any given Fund throughout its term. Notwithstanding any prior experience that such Principals may have in making investments of the type expected to be made by the Funds, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that the Principals will be able to duplicate prior levels of success.

*Focused investment strategy.* The Funds focus on investments in healthcare companies across all growth stages and may not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently more risky and could cause any Fund's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

*Difficulty in valuing portfolio investments.* Generally, there will be no readily available market for a substantial number of a Fund's investments and hence, most of any given Fund's investments will be difficult to value.

*Control person liability.* The Funds may have significant or controlling interests in certain of their respective portfolio companies. The exercise of control over a portfolio company may impose additional risks of liability for, among other things, environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the Fund with such control person liability might suffer a significant loss.

*Changing economic conditions.* The success of Kazimir's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which a Fund may depend upon to achieve its objectives may have a significant negative impact on such Fund's operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for such Fund to operate successfully. Changing economic conditions could also potentially adversely impact the valuation of portfolio holdings.

*Minority investments.* A significant portion of any given Fund's investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, such Fund is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. A Fund may also invest in companies for which such Fund has no right to appoint a director or otherwise exert significant influence. In such cases, such Fund will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom such Fund is not affiliated and whose interests may conflict with the interests of such Fund.

*Future and past performance.* The performance of the prior Funds is not necessarily indicative of any newly offered Fund's future results. While the general partner of any new Fund intends for such Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.



*Leverage.* To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by a Fund in such company could be significantly reduced or even eliminated.

*Certain limitations on ability of limited partners to transfer their interests in a Fund.* The transferability of interests in the Funds are restricted by their respective partnership agreements and by United States federal and state securities laws. In general, Fund limited partners may not sell or transfer their interests in a Fund to third parties without the consent of such Fund's general partner.

*Legal and regulatory risks.* None of the Funds are registered as an "investment company" under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to an exemption set forth in Sections 3(c)(1) and/or 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to the Funds. Due to the burdens of compliance with the Investment Company Act, the performance of the Funds' investment portfolios could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if the Funds become subject to registration under the Investment Company Act. Neither the Funds nor their counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, the Funds may not become subject to the Investment Company Act or other burdensome regulation. In addition, the Funds generally do not register the offering of their interests to their limited partners under the United States Securities Act of 1933, as amended (the "*Securities Act*"). As a result, the Fund's limited partners will not be afforded the protections of such Acts with respect to their investments in the Funds.

*Tax risks.* Certain tax risks relating to an investment in a Fund are discussed in the offering documents with respect to such Fund. No assurances can be given that tax laws, rulings and regulations effective at the time an investor makes an investment in a Fund will not be changed during the life of such Fund. Prospective Fund investors should consult their tax advisors for further information about the tax consequences of purchasing an interest in a Fund.

*Withholding and other taxes.* The general partners of the Funds generally structure their respective Fund's investments in a manner that is intended to achieve the Fund's investment objectives and, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable for taxation or in which a Fund makes portfolio investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in a Fund under the laws of the jurisdiction in which they are liable for taxation. Furthermore, a Fund's returns in respect of its investments may be reduced by

withholding or other taxes imposed by jurisdictions in which such Fund's portfolio companies are organized.

*Conflicts of interest.* The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in a Fund. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of the general partner of a Fund (or its partners), Kazimir and/or their affiliates may potentially or actually conflict with the interests of such Fund and its limited partners. For example, the existence of a Fund's general partner's carried interest may create an incentive for such General Partner to make more speculative investments on behalf of such Fund than it would otherwise make in the absence of such performance-based arrangements. Conflicts may arise in the allocation of investment opportunities and the Principals' time among one or more existing Funds and any of their parallel or co-investment entities, on the one hand, and any future Funds, on the other hand. Further, conflicts of interest may arise as a result of the Principals having investments in portfolio companies and the Funds as well as other investments both public and private. While certain assurances are provided in the Fund's partnership agreements to address these potential conflicts, certain risks may remain. By acquiring an interest in a Fund, each investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflicts of interest.

*Diverse investors.* The limited partners of any given Fund may have conflicting investment, tax, and other interests with respect to their investments in such Fund. The conflicting interests of individual Fund limited partners may relate to or arise from, among other things, the nature of investments made by such Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by a Fund's general partner with respect to the nature or structuring of investments that may be more beneficial for some of such Fund's limited partners than for others, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the general partner of such Fund considers the investment and tax objectives of such Fund and its partners as a whole, not the investment, tax or other objective of any of such Fund's limited partners individually.

*Risk of dilution.* Limited partners subscribing for interests in subsequent closings of a Fund will participate in existing investments of such Fund, diluting the interests of existing limited partners therein. Although such limited partners will contribute their pro rata shares of prior capital contributions previously drawn down by such Fund (plus an additional amount thereon), there can be no assurance that such payments will reflect the fair value of such Fund's existing investments at the time such additional limited partners subscribe for such interests.

*Foreign investments.* Funds may invest in companies that are based outside of the United States or the operations of which are primarily outside of the United States. Any investment in a foreign country involves risks not found in the domestic securities market, including the following: the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including nationalization, confiscation without fair

compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing, and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments or portfolio company operations may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the applicable Fund could become subject to an unanticipated local tax liability. The profits or losses of a Fund on any investment, as measured in United States dollars, will be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, a Fund may incur costs in connection with conversions between various currencies. Funds generally do not seek to reduce currency risks through "hedging" or other methods.

**ITEM 9: DISCIPLINARY INFORMATION**

The Adviser and its supervised persons have not been involved in any legal or disciplinary events that are material to a client's or potential client's evaluation of our advisory business or the integrity of the Adviser's management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Firm or an affiliate act as general partners or in similar capacity for certain private funds for which the Firm or one its affiliated entities act as investment adviser. As of December 31, 2010, the Firm acts as investment adviser to Kazimir Russia Growth Fund Limited, Kazimir Russia Growth Investment Fund Limited, Kazimir Ukraine Convergence Fund Limited, Kazimir Russia Master Fund LP, Kazimir Russia Fund LP, Kazimir Russia Offshore Fund Limited, Kazimir Caspian Fund Limited, Kazimir Special Situations Fund Limited funds organized under the laws of the Cayman Islands and Delaware.

The Firm or an affiliate may own the management shares of these funds which confer on the Firm substantially all voting rights of the shareholders including the right to elect directors of the funds. Accordingly, the boards of these funds are generally not independent of the Firm and certain persons affiliated with the Firm serve as directors for the various funds. Interests in the funds managed by the Firm are not registered under the Securities Act of 1933, as amended and such funds are not registered under the Investment Company Act of 1940, as amended. Kazimir may, in its sole discretion, enter into special agreements with certain investors in the funds, granting such investors additional rights (including but not limited to liquidity and information) and/or reduced fees.

### *a) Registered Broker-Dealer or Registered Representative*

Not Applicable

### *b) FCM, CPO, CTA or Associated Person*

Not applicable.

### *c) Material Business Relationships with Certain Related Persons*

- *Kazimir Partners (UK) Limited*, a company registered in England & Wales is an affiliate of the Firm that provides advice concerning strategic matters to the Firm and its other affiliates including KCM Advisors (Cyprus) Ltd and Kazimir Partners (Azerbaijan) LLC.
- *KRF Partners LLC*, is the general partner of Kazimir Russia Fund L.P., a Delaware limited partnership advised by the Firm.
- *Kazimir Holdings Ltd*, is the general partner of Kazimir Russia Master Fund LP, a Cayman Islands Limited Partnership advised by the Firm.

### *d) Recommendation and Selection of Other Investment Advisers*

Not applicable.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### *a) Code of Ethics*

Kazimir has adopted a Code of Ethics governing ethical standards and principles of the Firm. Kazimir believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. All personnel of the Firm must put the interests of the Firm's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of the Firm must also comply with all U.S. federal securities laws.

Our Code of Ethics contains, among other rules and requirements, provisions designed to: (i) prevent improper personal trading by Kazimir personnel; (ii) prevent improper use of material, non-public information about securities recommendations made by Kazimir or the securities holdings of Kazimir's Funds or other clients; (iii) identify and mitigate potential conflicts of interest; and (iv) provide a means to resolve any actual or potential conflicts of interest.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting us by e-mail at [IR@kazimir.com](mailto:IR@kazimir.com) or by telephone at (212) 754-6660.

### *b) Participation or Interests in Client Transactions*

Kazimir, its officers, members and employees may invest in any Fund for which the Firm serves as investment manager or adviser. Besides owning interests in the same Funds, however, no person related with the Firm is permitted to buy from, sell to, borrow from or lend to the any Fund.

The Firm or any of its affiliates or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by each fund. Neither the Firm nor any of its affiliates nor any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to any of the Funds or to account to any of the Funds in respect of (or share with the Fund or inform the fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

Employees of Kazimir may deal for their own accounts in securities that are recommended to clients of the Firm. These employees are subject to a code of ethics designed to prevent their proprietary trading from disadvantaging clients of the registrant.

Employees of the registrant may serve as board directors of companies in which it invests for clients. This may lead to conflicts of interest such as receipt of material non-public information for

which there are a code of ethics. The registrant believes serving on the boards of these companies is for the benefit of its clients as it helps to maintain corporate governance standards in these companies.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the funds. The directors/managing general partner (as appropriate) of each fund will seek to ensure that any conflict of interest of which each is aware is resolved fairly.

*c) Investment in Securities Recommended to Clients*

Kazimir's Supervised Persons are specifically prohibited from using their knowledge about pending transactions or investments currently being considered for personal profit, including by purchasing or selling such securities directly or indirectly. This list will contain all securities the Firm or an affiliate of the Firm is analyzing or considering for Client transactions. Further, as noted above, all Access Persons (as defined in the Code, and which includes Supervised Persons meeting certain further criteria) must submit quarterly transactions reports detailing personal securities transactions. Such reports will be reviewed by the CCO or the CCO's designee to ensure compliance with the Code.

*d) Investment in Securities at or about the Same Time Recommended to Clients*

See Part 11 C. above.

*e) Personal Trading*

The members, officers, and employees of Kazimir and its affiliates may buy and sell for their own accounts the same Funds and/or securities Kazimir recommends to its existing Funds and other clients. The members, officers, and employees of Kazimir are permitted to buy and sell all types of investments unless (i) the investment relates to an entity on Kazimir's restricted list or (ii) they are aware of a conflict of interest, or a potential conflict of interest, with Kazimir Group or any of its affiliates, Funds and/or other clients. Policies and procedures are in place to prevent personnel from benefiting personally from information they may possess about the securities Kazimir recommends or securities held by Kazimir's Funds or other clients.

To safeguard against such risks or potential conflicts, the Firm's Code of Ethics requires each officer and employee of the Firm with access to the Funds' or clients investments information (each an "**Access Person**") to report quarterly theirs and their immediate family members' securities transactions and their securities holdings annually. In addition, each Access Person must pre-clear investments in initial public offerings and private placements with the Firm's Chief Compliance Officer.

The Code of Ethics also imposes restrictions and safeguards on the use of material nonpublic information. A copy of the Adviser's Code of Ethics may be obtained by writing to the Adviser or calling (212) 754-6660.

## **ITEM 12: BROKERAGE PRACTICES**

### *a) Selecting or Recommending Broker-Dealers*

The Firm has no obligation to deal with any particular broker-dealer in the execution of transactions for its clients. In selecting broker-dealers with whom to place orders for purchases and sales of securities on behalf of our clients, the Firm's primary objective is to obtain best price and execution – that is, prompt, errorless, execution of orders at the most favorable prices reasonably obtainable. In doing so, the Firm considers a number of factors, including, without limitation:

- the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range),
- the financial strength of the broker-dealer,
- the reputation and stability of the broker,
- the efficiency with which transactions are generally executed,
- the ability to effect the particular transaction,
- the availability of the broker-dealer to stand ready to execute difficult transactions in the future, and
- other matters involved in the receipt of brokerage and research services.

Kazimir will also consider the quality of firms with which it seeks to execute client orders, the adequacy of lines of communication, timeliness of reports of order execution, the capacity to accommodate unusual trading volume and the preservation of client anonymity, among other factors.

Because the registrant takes into consideration a number of factors in addition to price when allocating brokerage business for its clients, client trades may not always be effected at the lowest commission available. In addition it should be noted that the registrant operates in emerging markets where there may be a limited number of brokers. This may affect the registrant's ability to provide best execution.

### *b) Soft-Dollars Arrangement*

As a matter of policy, the Firm does not pay a commission in order to receive research or other services and, except in unusual circumstances, the commission negotiated would not exceed the Firm's normal rate. Research or other services which may be received as a result of transactions executed in client accounts are used to benefit all of the Firm's investment advisory clients.

Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, provides that a person who exercises investment discretion with respect to an account will not be deemed to have acted unlawfully or to have breached a fiduciary duty solely by reason of causing the account to pay a broker more than the lowest available commission if such person determines in good faith that the amount of the commission is reasonable in relation to the value of brokerage and research services



provided by such broker (but only in relation to such services). The registrant may choose to operate its soft dollar policy within the safe harbor provided by Section 28(e).

*c) Brokerage for Client Referrals*

The Firm does not consider, in selecting or recommending a broker dealer, whether the Firm or a related person receives client referrals from that broker-dealer.

The registrant compensates third party distributors for client referrals. The amount of compensation is based on a negotiated percentage of the management fee and performance fee in respect of the funds introduced or as a negotiated level of basis points of the value of the funds introduced or maintained. The registrant may also compensate related parties for client referrals, this compensation will be in line with fee levels paid to unrelated third parties.

*d) Directed Brokerage*

The Adviser does not accept clients who require us to execute transactions through a specified broker-dealer. Clients may recommend that we use their preferred broker-dealer(s). The Adviser will use such broker-dealer(s) subject to our determination that said broker-dealer provides best execution of client transactions.

*e) Aggregation (Bunching) of Trades*

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, orders are aggregated (bunched) and allocated pro-rata to the nearest round lot. In addition to considerations of equity, bunching avoids placing competing orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders.

Kazimir may cause a Fund or Account to effect “cross” transactions – transactions in which securities or other portfolio holdings are bought and sold among and/or between the Funds and the Accounts. Such a transaction will only be carried out if the Adviser believes that the transaction will be beneficial to both parties and if it is done in accordance with applicable law and Kazimir’s cross transactions policies and procedures, which are designed to ensure compliance with all applicable laws.

## **ITEM 13: REVIEW OF ACCOUNTS**

### *a) Periodic Account Review*

An affiliate of the Firm other than the client's regular investment manager will be responsible for reviewing all the transactions in the client's account on a regular basis as to appropriateness and quarterly as to conformity to the client's investment objectives.

Client accounts are reviewed and monitored regularly; reviews are conducted to determine the appropriateness of client portfolio holdings in light of current market conditions, client financial situation or business conditions and investment objectives, economic conditions etc. Reviews are conducted as according to the investment mandate internal guidelines and cover, but are not limited to, portfolio construction, stock selection and liquidity. Reviewers include the Firm's directors or investment professionals who are qualified to perform such reviews.

### *b) Client Reports*

Fund Investors will receive reports as disclosed in the offering memoranda of each Funds. Audited Financial Statements are sent to Fund investors within 120 days of the financial year end. Separately managed account clients typically receive monthly or quarterly statements from their account custodians.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm has written solicitation arrangements with certain third parties (each a “Solicitor”). Pursuant to each arrangement, the Firm pays a referral fee to each Solicitor when they successfully introduce a client or fund investor. The amount of compensation is based on a negotiated percentage of the management fee and performance fee in respect of the funds introduced or as a negotiated level of basis points of the value of the funds introduced or maintained. The Firm may also compensate related parties for client referrals; this compensation will be in line with fee levels paid to unrelated third parties.

The Firm may enter into similar solicitation arrangements in the future with other third parties. All arrangements will comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

The solicitor is required to present to any prospective client (other than potential hedge fund or private investment fund investors) a document including: the name of the solicitor; the name of the investment advisor he represents (e.g. Kazimir); the nature of the relationship, including disclosure of any affiliation between the solicitor and Kazimir; a statement that the solicitor will be compensated by Kazimir, including the terms of that compensation arrangement; and the amount, if any, of the cost of obtaining the account that the client will be charged in addition to the Kazimir advisory fee, including the differential, if any, among clients with respect to the amount of advisory fees if such differential is attributable to the existence of any arrangement pursuant to which Kazimir has agreed to compensate the solicitor.

## **ITEM 15: CUSTODY**

Kazimir does not retain custody of client assets, within the meaning of Rule 206(4)-2 under the Advisers Act. Clients and fund investors receive account statements directly from a qualified custodian and are encouraged to review those accounts statements received from the custodian. Clients should review these statements carefully and should immediately contact Kazimir if account statements are not received from the custodian on at least a quarterly basis. To the extent Kazimir, pursuant to the relevant advisory contract or otherwise, separately provides reports or account statements, Clients should compare Kazimir's statements carefully to the account statements received from the custodian. If there are any discrepancies between the account statements, please contact Kazimir immediately.

In addition the Adviser's funds are audited at least annually and distribute their audited financial statements prepared in accordance with generally accepted accounting principles to all investors. Kazimir provides (or causes to be provided) to each Investor in the Fund a copy of the Fund's audited financial statements within 120 days following the relevant Fund's fiscal year end. Investors who do not receive audited financial statements timely should contact Kazimir immediately.

**ITEM 16: INVESTMENT DISCRETION**

Kazimir generally manages client assets in a discretionary basis with the authority to determine for each client what investments are made, as well as when and how they are made. For certain clients, their assets may be invested in one or more model portfolios, but clients may impose reasonable restrictions, limitations or other requirements with respect to their individual accounts.

## **ITEM 17: VOTING CLIENT SECURITIES**

### *a) Kazimir Proxy Voting Authority*

Kazimir has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act. The following is a summary of its Policies and Procedures:

□The Firm is responsible for the voting of all proxies related to securities that it manages on behalf of its Funds.

□The Firm believes proxy voting is included within its investment discretion and as such it will act prudently and in the Fund's best interest when voting proxies.

□All conflicts of interest are resolved in the best interests of the clients (i.e., the Funds).

Conflicts can arise when the Firm or any of its employees has any financial, business or personal relationship with the issuer of a proxy proposal for a security held in a Fund. With respect to potential conflicts of interest, proxies will be voted in accordance with the Firm's predetermined guidelines in all instances where the Firm's guidelines state a vote "for" or "against" the particular proposal.

If a material conflict of interest over proxy voting arises between the general partner of a Fund and such Fund, such general partner votes all proxies in accordance with the policy described above. If such general partner determines that this policy does not adequately address the conflict of interest, such general partner generally will notify the Fund's limited partner advisory committee, if any, of the conflict and request that the limited partner advisory committee consent to the general partner's intended response to the proxy or limited partner ballot solicitation. If the limited partner advisory committee consents to such general partner's intended response or fails to respond to the notice within a reasonable time specified in the notice, such general partner will vote the proxy as described in the notice. If the limited partner advisory committee objects in writing to such general partner's intended response, such general partner will vote the proxy as directed by the limited partner advisory committee.

The Firm's policies describe a number of significant proxy proposals and how it will vote on these proposals. The Firm generally supports the ability of the management of a company soliciting proxies to run its business in a responsible and cost-effective manner while staying focused on maximizing shareholder value. Accordingly, the Firm generally votes proxies in accordance with management's recommendations. Nevertheless, the Firm reserves the right to make voting decisions on a case-by-case basis and may, from time to time, vote proxies against management's recommendations.

Investors may obtain a free copy of the Firm's Proxy Voting Policy upon request by telephone at (212) 446 1760. The Firm maintains copies of all proxies and a record of how they were voted so that it may respond to any questions investors may have regarding them.

*b) Client Proxy Voting Authority*

Clients who do not grant Kazimir discretion to vote proxies on their behalf are responsible for voting their own proxies and, if they desire to do so, must arrange to receive proxy materials from the relevant custodians or transfer agents. Kazimir does not provide any proxy related information, or advice as to how to vote proxies, to such clients.

## **ITEM 18: FINANCIAL INFORMATION OF THE ADVISER**

No financial events have occurred to Kazimir that would negatively affect the financial viability of the Adviser. There is no financial condition of Kazimir that is reasonably likely to impair KAZIMIR's ability to meet contractual commitments to clients.

### *a) Financial Disclosures*

Not Applicable.

### *b) Material Financial Impairment*

Not Applicable.

### *c) Bankruptcy Petitions*

Not Applicable.