

PROA PARTNERS PTE LTD.

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CRD Number: []

29th JUNE 2011

This Brochure provides information about the qualifications and business practices of Proa Partners Pte. Ltd. ("**Proa Partners**"). If you have any questions about the contents of this Brochure, please contact us by telephone at +6567336575 or by email at jmorisot@proapartners.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority.

Proa Partners is a registered investment adviser. Registration of an Investment Adviser does not imply that Proa Partners or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about Proa Partners Pte. Ltd. is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2 - Material changes

On 28th July 2010, the SEC published “**Amendments to Form ADV**” which amends the disclosure document that Proa Partners provides to clients as required by SEC Rules. This Brochure is a new document prepared by Proa Partners according to the SEC's new requirements and rules. As such, this Brochure is materially different in structure and requires certain new information that our previous Brochure did not require.

In the future, this section will only discuss *specific material changes* that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update to the Brochure.

Pursuant to SEC Rules, Proa Partners will provide a summary of any material changes to this and subsequent Brochures within 120 days of our fiscal year-end to our clients.

Proa Partners will further provide you with a new Brochure and other ongoing disclosure information about material changes, as necessary, at any time without charge.

Currently, our Brochure may be requested by contacting Jean-Louis Morisot, Proa Partners' Chief Compliance Officer (“**CCO**”), by telephone at +65 6733 6575 or by email at jmorisot@proapartners.com.

Additional information about Proa Partners is also available via the SEC's website www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Proa Partners who are registered, or are required to be registered, as investment adviser representatives of Proa Partners.

Item 4 - Advisory Business

Proa Partners Pte. Ltd. ("**Proa Partners**", "**the Adviser**", or the "**Firm**"), is a private company limited by shares incorporated in Singapore. Proa Partners is wholly owned by its founders Ms. Frances Dydasco and Mr. Jean-Louis Morisot.

The Firm was incorporated on 10th May 2010 and is a boutique long only research driven firm that specialises in Asian investments primarily in listed equities. The Firm provides discretionary investment management services to clients predominantly based in the USA and manages their investments in Asia ex-Japan.

The Adviser had total assets under management ("**AUM**") of approximately USD 50 million as at 30th April 2010.

The Firm has notified the Monetary Authority of Singapore ("**MAS**") that it does not intend to serve more than 30 qualified investors and is, thus, exempted from licensing and business conduct requirements under the Securities and Futures Act of Singapore.

The Firm's objective is to provide research-driven long only equity investment advisory services in the Asia ex-Japan region. Its approach is fundamental, long-term, often contrarian, with an emphasis on identifying inflection points in a company's return on capital employed (ROCE) with a view to it stabilising above its cost of capital. The Firm will look for businesses possessing, among other things, a strong franchise value, scalability and evolving in an environment with high barriers to entry. The process of identifying and analysing companies involves detailed proprietary modeling and on the ground research and value chain mapping, interviewing key stakeholders, competitors, suppliers, customers, regulators.

The Firm provides services only to qualified and institutional investors. Each client enters into a written investment management agreement ("**IMA**") that sets out the nature of the discretion given to the Firm and the investment restrictions applicable to that account.

With segregated accounts, clients may request from time to time that the Firm must not invest in specific securities or sectors, for example in those cases where the client may already have such an exposure via other investments or accounts managed elsewhere. Although the Firm aims to manage all accounts *pari passu*, it is able, within reason, to customise its approach to each individual client, e.g. ethical investing restrictions, country exclusions.

The Firm and its employees are not required to advise or manage client portfolios as its sole and exclusive function. The Firm and its employees may engage in other business activities and are only required to devote such time to managing the Funds as deemed necessary to accomplish the purposes of its clients. For example, Proa Partners may act as the advisor or investment manager to other clients (including other funds) now or in the future.

Item 5 - Fees and Compensation

Clients are generally charged a fee consisting of: (1) an asset based "management fee"; and (2) an annual "performance fee".

Fees are agreed with clients in the IMA. Unless otherwise indicated in the IMA the management fees are paid monthly in arrears after the last day of each month based on the net market value of the Account as of the last business day of each month. The Firm bills clients for fees incurred.

The Firm may waive or reduce the management fee with respect to clients who are Firm employees, family members, or connected parties. Performance fees are non-negotiable, but overall some clients may pay less than other clients depending on the inception date of their investment with Proa Partners.

Where the Firm enters into any IMA that gives rights or benefits that are more favorable to that client than other clients the Firm will disclose the relevant rights to the other clients within 30 days.

Clients will incur all investment expenses related to trading or dealing in the assets of the account including custodial fees, brokerage commissions, bank service fees, the charges and expenses of legal advisers and auditors in relation to due diligence on potential investments and interest on account related loans and debit balances.

Item 6 - Performance-Based Fees

Clients are generally charged an annual “performance fee” for returns that are in excess of the MSCI Asia ex-Japan Index in US Dollars unhedged whether positive or negative in absolute terms in any calendar year. Performance fees are accrued at each valuation point.

Any loss in an account is carried forward so that no performance allocation is charged to a client unless the losses have been recouped, subject to certain adjustments (i.e. high watermark).]

Item 7 - Types of Clients

The Firm serves only qualified institutional and professional investors on a segregated account basis. At the date of this filing, the Firm has one (1) client.

Future clients are expected to include qualified non-US investors, US tax-exempt investors and qualified US investors.

Clients must be qualified investors under both applicable regulations in the USA and in Singapore. Clients must meet other suitability requirements under the laws relating to anti money laundering and client identification in Singapore.

All clients are required to enter into an IMA with the Firm. The minimum account size for each client is US\$50 million, although the Firm will consider initially lowering the minimum amount on a case by case basis.

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

Portfolio Construction

The Firm employs a long only equity investment strategy in Asia ex-Japan. It conducts proprietary research and invests in individual companies that meet rigorous

criteria centering on management excellence, scalability of business, strong franchise value, high barriers to entry and ROCE on an upward trajectory with a view to its sustainably settling above the cost of capital. Inflections in marginal ROCE mainly drive fundamental buy/sell decisions. The Firm invests for the long term and seeks to minimise costs associated with trading. The Firm is agnostic to top-down (country, sector allocations), consensus and momentum considerations. The portfolio construction process will involve a competition for ideas, with only the best ideas being included. Its investment style is often contrarian, seeking to capitalise on market inefficiencies and inherent street biases through independent research, modeling and valuation. The Firm will construct a 20-40 stock portfolio, one business at a time.

Its due diligence process involves (1) face-to-face meetings with management, with separate interviews of various employees to cross-check the consistency of a company's message; (2) creation of a proprietary model based on consolidated accounts and focused on understanding capital allocation, cashflow visibility and return on capital employed; (3) ongoing due diligence via frequent company and industry expert contact to monitor management execution, incremental ROCE trend and major shareholder behaviour; (4) monitor industry drivers, barriers to entry, ecosystem dynamics and regulatory developments via frequent contact with competitors, suppliers, customers and regulators.

The Firm will not manage volatility (foreign exchange, market risk) via hedging strategies. The Firm will not sell short or use leverage. All holdings will be exchange traded so there is not expected to be any problems in diversion from the standard usual independent valuation methodology. However, the Firm is expected to hold investments in clients' managed accounts where both the underlying positions and markets have limited liquidity. Clients should consider the risk factors outlined below.

Risk of Loss Factors

All investments involve the risk of loss, including (amongst other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, regulatory risk and general economic risk.

The Firm will be investing in Asia ex Japan markets where there is the expectation of volatility and will have holdings in small cap companies which are both factors which may contribute to illiquidity.

The main sources of marginal risk include: (1) risk associated with a change in the business fundamentals of the stocks held in client portfolios; (2) concentration of clients' accounts in a relatively small number of holdings and as a result relatively large individual position sizing; (3) increased or changed regulation of the jurisdictions or industries in which clients' accounts are invested or increased or changed regulation of the asset management industry in Asia; (4) short-term volatility from being focused on Asia; (5) changes in the macro-economic and geopolitical environment in Asia; and (6) corporate governance issues in the companies held in clients' portfolio.

Clients should be prepared to bear the risk of loss. A client could lose all or a substantial portion of its investment. A client must have the financial ability, sophistication/experience and willingness to bear the risks of investment. In making

an investment decision, prospective clients must rely on their own examination of the Firm and the terms of its offering, including the risks involved.

Use of Leverage

The Firm does not use leverage.

Item 9 - Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10 - Other Financial Industry Activities and Affiliations

None.

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

Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, the Firm has adopted a Code of Ethics and an Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Proa Partners or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The Firm's Code of Ethics was adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees' and principals' trading activity.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of the client first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position.

The Firm's employees may invest for their own accounts. However, the Firm's Code of Ethics imposes severe restrictions on personal trading. In particular, dealing in all listed and non-listed equities, Asian corporate bonds, Exchange Traded Funds and derivatives thereof is banned. While personal account investing in certain instruments, such as government bonds, foreign exchange or non-Asian corporate bonds, is permitted, it must however be pre-cleared by and reported to the CCO.

Employees must adhere to the Employee Investment Policy for any personal investments. Employees must place the interests of the client and the Firm first at all times and avoid, and be seen to avoid, actual or potential conflict between personal interest and duty to clients and to the Firm.

Employees (and any beneficiary accounts) must obtain written authorisation from the CCO prior to making a personal investment or engaging in private placement in other collective investment schemes. The spirit of the Code of Ethics is to discourage frequent trading in personal employee accounts. Employees may not engage in any outside business activities or invest in private companies before obtaining authorisation from the CCO.

All employees of the Firm must provide quarterly declarations to the CCO. These records are used to monitor compliance with the foregoing policies.

The Firm's Code of Ethics and Employee Investment Policy is available to any investor or prospective investor upon request.

Participation or Interest in Client Transactions

The Firm does not, as a principal, buy securities for itself from or sell securities, it owns, to any client; indeed, nor does it act as a broker or an agent to effect securities transactions for compensation for any client.

The Partners of the Firm aim to co-invest with clients in the same investment opportunities via an investment vehicle owned by the Partners, pending an arrangement which allows them to invest on a pari passu basis with full transparency. This is disclosed to clients prior to the execution of an IMA. All investments made by this Partners' investment vehicle will be disclosed to clients at their request.

Item 12 - Brokerage Practices

Best Execution

The SEC has taken the view that an investment adviser at all times owes a fiduciary duty to its clients to obtain best execution of their transactions. In general, to meet its duty of "best execution" the Firm must execute transactions so that the total cost or proceeds of each transaction are the most favorable under the circumstances. When a broker-dealer is used, the Firm may consider the full range of a broker's services, including among others: the value of research and/or brokerage services provided, execution capabilities, commission rates, financial responsibility, administrative resources, and responsiveness. In addition, in seeking best execution, the Firm may also use a variety of execution methods. The Firm monitors the performance of broker-dealers that it uses on a periodic basis to ensure that the broker-dealers continue to meet the criteria for selection.

The Firm is not responsible for best execution when a client instructs the Firm to execute securities transactions through a particular broker.

Soft Dollars

In general, brokerage commissions are client assets and should be used, in accordance with fiduciary principles, for the benefit of clients. Research and brokerage services may be obtained either directly from full-service brokers (so-called "proprietary soft dollars") or from third parties. The 1934 Act establishes a safe harbor that allows an Adviser to use client funds to purchase "brokerage and research services" for their managed accounts under certain circumstances without breaching their fiduciary duties to clients. Fiduciary principles require an adviser to

seek the best execution for client trades, and limit an adviser from using client assets for their own benefit. Use of client commissions to pay for research and brokerage services presents an adviser with significant conflicts of interest (particularly as the Firm receives a benefit without have to pay for the research) and may give incentives to disregard best execution obligations when directing orders to obtain client commission services as well as to trade client securities inappropriately in order to earn credits for client commission services.

Currently, the Firm has no direct soft dollars arrangement due to the nature of its business. However, the Firm has the discretion to enter into soft dollar commission arrangements to take advantage of non-monetary benefits offered by brokers to the Firm. These benefits include purchasing or allowing a broker to pay for certain research services.

Item 13 - Review of Accounts

The Firm requires the clients' custodians to provide clients with a monthly report in writing showing the aggregate market value of all securities and funds in the account, the client's additions of funds and securities to and withdrawal of funds and securities from the account during the month and the calculation of the fees during the month. Clients' custodians will also prepare an annual audited financial statement of the account.

Item 14 - Client Referrals and Other Compensation

The Firm will not engage the services of third-party placement agent firms. When dealing with potential clients in the US, the Firm will provide prospective clients with a current copy of the Firm's ADV Part 2A and the solicitor's written disclosure statement, if relevant. There will be no marketing fees or commissions in connection with any investor referral activities.

Item 15 - Custody

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of client funds or securities. The Rule requires advisers that have custody of client securities or funds to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated or subject to the advisers' financial reverses. Advisers with custody of client funds and securities must maintain them with "Qualified Custodians." "Qualified Custodians" under the amended rule include banks and savings associations and registered broker-dealers.

The Firm does not maintain direct custody or possession of any of its client's funds or securities. Its clients have third party custodian who provide, among other things, clearing, custodial and record keeping services.

Item 16 - Investment Discretion

The Firm has discretionary authority to manage segregated accounts on behalf of its clients.

The investment guidelines governing the Firm's management of accounts are specified in the IMA. The investment restrictions mainly cover concentration limits on issuers, jurisdictions and counterparties, limits on short selling, prohibitions on investment in real property or physical commodities and investments that require prior notification to the Client.

Prior to accepting an appointment to act as a discretionary manager for a client, the Firm conducts a full "know your customer" assessment. This is performed so that the Firm understands each client's investment objectives and risk profile and is then able to manage the portfolio in a suitable manner. All clients are required to execute a written IMA prior to the commencement of the portfolio.

Item 17 - Voting Client Securities

The Firm is given the discretion to vote or abstain from voting in relation to securities held in client accounts. The Firm will ensure that proxies or corporate action matters are voted in the best interest of its clients.

Upon request, the Firm will provide clients with information on its proxy voting policies and procedures.

Item 18 - Financial Information

The Firm does not require or solicit pre-payment of any type of client fees in advance.

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.