

**FORM ADV PART 2A  
INVESTMENT ADVISER BROCHURE**

**NEW SILK ROUTE ADVISORS, L.P.**

**New Silk Route Advisors, L.P.  
540 Madison Avenue  
30th Floor  
New York, NY 10022  
<http://www.nsrpartners.com>**

**January 2017**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of New Silk Route Advisors, L.P. (“the Management Company”). If you have any questions about the contents of this Brochure, please contact us at (646) 744-0380. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

The Management Company is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Material Changes .....</b>	<b>1</b>
<b>Advisory Business .....</b>	<b>1</b>
<b>Fees and Compensation .....</b>	<b>2</b>
<b>Performance-Based Fees and Side-By-Side Management.....</b>	<b>4</b>
<b>Types of Clients .....</b>	<b>4</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>5</b>
<b>Disciplinary Information.....</b>	<b>12</b>
<b>Other Financial Industry Activities and Affiliations .....</b>	<b>13</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>13</b>
<b>Brokerage Practices .....</b>	<b>14</b>
<b>Review of Accounts .....</b>	<b>15</b>
<b>Client Referrals and Other Compensation .....</b>	<b>16</b>
<b>Custody .....</b>	<b>16</b>
<b>Investment Discretion .....</b>	<b>16</b>
<b>Voting Client Securities .....</b>	<b>17</b>
<b>Financial Information.....</b>	<b>17</b>

## MATERIAL CHANGES

The Management Company filed its most recent Form ADV Part 2 on December 16, 2016. This other-than-annual amendment includes changes to reflect a new chief compliance officer.

## ADVISORY BUSINESS

The Management Company, a Cayman Islands exempted limited partnership and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Management Company commenced operations in 2006.

The Management Company's clients include the following (each, a "**Fund**," and together with any feeder funds and future private investment fund to which the Management Company or its affiliates provide investment advisory services, the "**Funds**"):

- New Silk Route PE Asia Fund, L.P.
- New Silk Route PE Asia Fund-A, L.P.

The following registered investment advisers are affiliated with the Management Company:

- New Silk Route PE Associates, L.P. (the "**General Partner**")
- NSR Mauritius Advisors, LLC ("**NSR Mauritius**")
- New Silk Route Advisors Private Limited ("**NSR India**")

(each, an "**Affiliate**" and together with the Management Company and their affiliated entities the "**Advisers**").

Each Affiliate is registered under the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance, and the Affiliates operate as a single advisory business together with the Management Company. NSR India provides non-discretionary investment sub-advisory services to NSR Mauritius with respect to investments in India and to the Management Company with respect to investments outside of India. NSR Mauritius provides discretionary investment advisory services to the Funds on investments in India. The Management Company provides discretionary investment advisory services to the Funds on non-Indian investments, and the Management Company also provides non-discretionary investment advisory services to NSR Mauritius with respect to investments in Asia.

In its capacity as the general partner of the Funds, the General Partner has the authority to manage the business and affairs of Funds. The Funds are private equity funds and invest typically through negotiated transactions in operating entities, generally referred to herein as "**portfolio companies**." The Advisers' investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public

companies are permitted. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of the Advisers generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies held by the Funds.

The Advisers' discretionary advisory and non-discretionary sub-advisory services for the Funds are typically detailed in the applicable private placement memoranda (each, a "**Memorandum**"), limited partnership agreements (each, a "**Partnership Agreement**"), subscription agreements (each, a "**Subscription Agreement**") and, as applicable, side letters (the "**Side Letters**" and together with the Memorandum, the Partnership Agreement and the Subscription Agreements, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed upon circumstances pursuant to the relevant Governing Documents. The Funds or the Advisers have entered into Side Letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under or altering or supplementing a Fund's Partnership Agreement.

As of September 30, 2016, the Management Company managed approximately \$1,185,400,000 in client assets on a discretionary basis. New Silk Route Partners, Ltd., acts as the general partner of the Management Company and the General Partner. Parag Saxena, the Chief Executive Officer of the Management Company, and NSR-H Associates, LLC are the principal owners of New Silk Route Partners, Ltd. Anil Sood and Rajat Kumar Gupta, who has no active role in the business or management of the Advisers, are the manager and principal owner, respectively, of NSR-H Associates, LLC.

## **FEES AND COMPENSATION**

In general, the Management Company and NSR Mauritius each receive a management fee from the Funds and the General Partner receives a carried interest in connection with advisory services provided to the Funds. The Advisers or other affiliates may receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation may, depending on the circumstances, offset in whole or in part the management fees otherwise payable to the Management Company and/or NSR Mauritius. Investors in each Fund also bear certain Fund expenses. The summary of fees and compensation below is a general overview of the fees and compensation and is subject to the more detailed provisions of the Governing Documents. Investors should review the applicable Fund's Governing Documents for additional detail regarding the fee structures summarized below.

### **Management Fees**

In general, each of the Funds pays the Management Company and NSR Mauritius an aggregate management fee (the "**Management Fee**") equal to 2.0% on an annual basis of aggregate Fund investor capital commitments ("**Commitments**"). Following the semi-annual period in which the commitment period of each of the Funds expires, the Management Fee will

be reduced and will equal 2.0% of the aggregate funded Commitments less any permanent write downs and distributions constituting returns of capital. The Management Fee will be payable until all portfolio investments are distributed or until the Management Company's relationship with a Fund is terminated for other reasons (as described in the applicable Fund's Governing Documents). Installments of the Management Fee payable for any period other than a full Management Fee payment period are typically adjusted on a *pro rata* basis according to the actual number of days in such period.

The Management Fee payable by each Fund will be reduced by all of such Fund's share of directors' fees and employment compensation paid by portfolio companies to partners or employees of the Advisers. The Management Company or its affiliates will be permitted to retain ("**Supplemental Fees**"), without offset against the Management Fee, 20% of all breakup, transaction, closing, monitoring and similar fees, net of unreimbursed expenses paid to the Management Company. The remaining 80% of such fees will be credited as an offset against the Management Fee. To the extent that such an offset credit would reduce the Management Fee for a given Management Fee payment period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation.

The Advisers and/or their affiliates generally have discretion over whether to charge transaction fees to a portfolio company and, if so, the fee rate or amount. The receipt of transaction fees may give rise to conflicts of interest between the Funds, on the one hand, and the Advisers and/or their affiliates on the other hand.

As permitted under the Partnership Agreements, the Management Company and NSR Mauritius may waive or agree to reduce the Management Fee. Any such waived or reduced portion of the Management Fee reduces the amount of capital the General Partner would otherwise be required to contribute to a Fund. The limited partners of a Fund may be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Due to waived or reduced Management Fees by the Management Company and NSR Mauritius and/or the timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in the Funds, resulting in a net additional benefit to the Advisers unless otherwise agreed by the Advisers and investors in the Funds.

### **Carried Interest**

The General Partner typically receives a carried interest equal to 20% of all realized profits and the investors in the current Funds negotiated a hurdle return, as more fully described in the Partnership Agreements. Future private investment funds may or may not be subject to such a hurdle return. The carried interest distributed to the General Partner is typically subject to a potential giveback at the end of life of each Fund if the General Partner has received excess cumulative distributions.

## **Other Information**

The General Partner, the Management Company and NSR Mauritius is permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by, among other means, a direct exemption, a rebate by the Advisers and/or their affiliates, or through other Funds which co-invest with a Fund.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreements, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of the Management Company and NSR Mauritius may receive a portion of the Management Fee, carried interest or other compensation. Employees of NSR India receive a salary and may receive a performance bonus. In addition, certain employees of NSR India may participate in the General Partner, obtaining the ability to get a return on investment in the General Partner.

In addition to the Management Fee and carried interest payable to the General Partner, each Fund bears certain expenses. As set forth in each Partnership Agreement, each Fund will pay all other costs and expenses of such Fund, including, without limitation, the following: legal, accounting, administrative, auditing, investment banking, travel, consulting, research, brokerage, finder's fees, custody, transfer, registration, insurance, advisory board, interest, taxes, extraordinary expenses and other similar fees and expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

It is currently expected that, unless otherwise negotiated, any future funds will have a similar fee structure, however, any future funds will be governed by such funds' limited partnerships agreements, side letters, if any, and other governing documents.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," the General Partner receives a carried interest allocation on certain realized profits in the Funds. The Advisers do not currently advise Funds not subject to a carried interest, although they may waive carried interest with respect to certain affiliated partners as described under "Fees and Compensation." In the future, the Advisers may also manage other private investment funds that are not charged, or charged different, performance-based fees. While this practice could present a conflict of interest because the Advisers may have an incentive to favor funds for which they receive a higher performance-based fee, investment opportunities are typically allocated in accordance with the relevant Fund's Governing Documents and the Adviser's allocation policy.

### **TYPES OF CLIENTS**

The Advisers provide investment advice to the Funds, which may include investment partnerships or other investment entities formed under U.S. domestic or non-U.S. laws and

operated as exempt investment pools under the Investment Company Act of 1940, as amended. Future clients may include U.S. domestic or non-U.S. funds or separate accounts. The investors participating in the Funds or any future funds or separate accounts may include, without limitation, U.S. and non-U.S. high net worth individuals, family offices, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of the Advisers and their affiliates.

The Funds generally have a minimum investment amount of \$5 million for third-party investors, and interests in the Funds are offered and sold solely to qualified purchasers and/or accredited investors (or qualified knowledgeable personnel of the Advisers). Such minimum investment amount may be waived by the General Partner.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

The Management Company (including through its branch office in Dubai) and NSR Mauritius provide discretionary investment advisory services, and NSR India provides non-discretionary investment sub-advisory services, in connection with making primarily private equity investments (however, such investments may include debt and other types of securities, typically, but not always, with a private equity component) in companies located primarily in the Indian subcontinent, other countries in Asia and other emerging markets. The Advisers provide day-to-day investment advisory services to the Funds, subject to the supervision of the General Partner. The General Partner retains ultimate decision-making authority for the Funds. There can be no assurance that the Advisers will achieve the investment objectives of any Fund and loss of investment is possible.

### **Investment and Operating Strategy**

The Funds are primarily focused on making primarily private equity investments in companies most frequently located in or having a nexus with, the Indian subcontinent. In addition to these investments, the Funds also make investments in companies located in other countries throughout Asia that provide attractive investment opportunities, although the Funds may opportunistically invest in companies that are not located in, or have a current nexus with, a country in Asia. When investing the Funds, the Advisers intend to seek out a wide range of opportunities, subject to the restrictions set forth in the Governing Documents. The Funds typically invest in growth companies with markets that are large (or have the potential for significant growth) and have the opportunity for sufficient earnings and sales growth to generate significant value. While each investment may vary, the Advisers' investment activity includes, without limitation, investments in the consumer services, infrastructure, telecommunications/information technology, manufacturing/engineering and financial services sectors.

Specifically, the Advisers seek to leverage their large number of relationships in the Indian subcontinent and in Asia and other emerging markets in order to source investments they

believe are attractive. Once investment opportunities are uncovered, the Advisers engage with appropriate experts (either from outside the staff of the Advisers or within) in order to thoroughly evaluate and due diligence prospective investments. Once the decision has been made to proceed with an investment, the Advisers will typically seek to structure investments to meet the investment objectives of the Funds, including, without limitation, attempting to secure appropriate rights and influence over the prospective portfolio companies. Once the Funds have made an investment, the Advisers intend to stay actively involved in the Funds' portfolio companies, typically as a board member or otherwise. Finally, the Advisers will seek exit opportunities for the Funds' investments. These exit opportunities can be diverse and may include, without limitation, strategic sales of all or a portion of the portfolio companies or potentially an exit through an initial public offering.

The Management Company also has a group of operating partners. The operating partners are business professionals in their fields who have agreed to assist the Funds' portfolio companies. While the operating partners only provide non-discretionary advice to the Funds' portfolio companies, their experience is a valuable resource.

## **Risks of Investment**

The Funds and their investors bear the risk of loss that the Advisers' investment strategy entails. Below is a summary of certain risks involved with the Advisers' investment strategy and an investment in a Fund. Investors should review each Fund's Governing Documents for further information regarding risks of investment in the Funds.

### General Risks:

*Difficulty of Locating Suitable Investments.* Although the Advisers and their professionals have been successful in identifying suitable investments in the past, a Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. If a sufficient number of attractive investments cannot be identified and closed, it is possible that a Fund will never be fully invested. Nevertheless, limited partners will remain obligated to pay management fees based on their commitments.

*Non-U.S. Investments.* The Funds intend to primarily invest their aggregate commitments in portfolio companies that are typically organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or the Funds' partners with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Funds and/or the partners. Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; and (e) lack of liquidity and other restrictions on exit.



The accounts of the Funds are maintained in U.S. dollars. The Funds' investments are generally made in currencies other than U.S. dollars. The value of an investment may fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the U.S. dollar.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and underlying portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

*Public Company Holdings.* A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Advisers' principals, and increased costs associated with each of the aforementioned risks.

*Liabilities upon Disposition.* A Fund's investments may result in contingent liabilities, which might ultimately have to be funded by the partners to the extent that the partners have received prior distributions from such Fund. The applicable Partnership Agreements include provisions to the effect that if there is any such claim in respect of an investment, it will be funded by the partners to the extent that they received distributions in respect of such investment.

*Concentration of Investments.* The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly

concentrated, and the performance of one or a few holdings or one or a few industry segments may substantially affect its aggregate return.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Funds will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for a Fund to increase its participation in a successful operation.

*Investment in Junior Securities.* The securities in which the Funds will invest may be among the most junior in a company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

*Leveraged Investments.* The Funds' investments may be in companies whose capital structures employ a high degree of leverage. Leveraged investments involve a high degree of risk in that adverse fluctuations in the cash flow of such companies, or increased interest rates, may impair their ability to meet obligations.

*Director Liability.* The Funds will often obtain the right to appoint a representative to the board of directors of the companies in which they invest. Serving on the board of directors of a portfolio company exposes a Fund's representatives, and ultimately a Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

*Material Non-Public Information.* As a result of the operations of the Advisers and their affiliates, the Advisers frequently come into possession of confidential or material non-public information. Therefore, the Advisers and their affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Advisers' internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

*Valuation of Investments.* Generally, the General Partner will determine the value of all the Funds' investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Funds' investments because, among other things, the securities of portfolio companies held by the Funds generally will be illiquid and not quoted on any exchange. There can be no assurance that the General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the General Partner with respect to an investment will represent the value realized by the relevant Fund on

the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the General Partner may cause it to ineffectively manage the Funds' investment portfolios and risks, and may also affect the diversification and management of a Fund's portfolio of investments.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Advisers or one of their service providers holding its financial or investor data, the Advisers, their affiliates or the Funds may also be at risk of loss.

#### Specific Risks Related to Investments in India, the Indian Subcontinent and Asia:

*Changes in Political, Social, and Economic Climates.* The Funds focus a substantial portion of their investments in India and the Indian subcontinent and in securities of companies that are located in India or the Indian subcontinent or conduct business primarily in India or the Indian subcontinent. Other investments may include investments in Asia or other emerging markets. Consequently, the Funds' financial performance will be affected by political, social, and economic developments affecting India, the Indian subcontinent, Asia or other emerging markets including changes in exchange rates and controls, interest rates, government policies, and taxation policies. From time to time, countries in the Indian subcontinent, Asia and other emerging markets have experienced, and continue to experience, political tensions within their own borders and from neighboring countries. Such tensions may adversely affect economic activity in those countries and thereby affect the Funds. In addition, the consequences of any conflicts arising from these tensions are unpredictable and unforeseeable by the Advisers and its affiliates.

*Legal Framework and Governmental Regulation.* Some countries in the Indian subcontinent, Asia and other emerging markets have laws and regulations that currently limit or preclude direct foreign investment in the securities of domestic companies or the remittance of capital or distribution of income to foreign investors. Prior government approval for foreign investments may be required under certain circumstances in such countries, and the process of obtaining these approvals may require a significant expenditure of time and resources. Investing in securities of issuers in emerging markets entails heightened risks of expropriation, confiscatory taxation and nationalization.

Some of the markets in which the Funds may invest do not have developed legal frameworks. In particular, some of the markets do not have well-developed shareholder rights, which could adversely affect a minority investment by a Fund. In addition, some of such markets provide inadequate legal remedies for breaches of contract (e.g., a shareholder agreement). Because the efficacy of the judicial systems in such countries and regions varies, the Funds (or any portfolio company in which they invest) may have difficulty in successfully pursuing claims, including claims against portfolio companies, in the courts of such countries, as compared to Europe, the United States or other more developed countries. Further, to the extent a Fund (or portfolio company) may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which such Fund (or portfolio company) invests, there can be no assurance that such courts will enforce such judgment.

Governments of some countries in the Indian subcontinent, Asia and other emerging markets have exercised, and continue to exercise, substantial influence over many aspects of the private sector. In some cases, governments own or control many companies, including some of the largest in their respective countries. The availability of investment opportunities for the Funds depends in part on governments in such countries continuing to liberalize their policies regarding foreign investment and to further encourage private sector initiatives. Changes in governments could result in policies less favorable to outside investors. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the prices and yields of portfolio investments.

*Investment Restrictions in India.* Indian investment restrictions may hinder the ability of the Funds to invest in certain companies or industries. Pursuant to the rules and regulations of the Reserve Bank of India (“**RBI**”) under the Foreign Exchange Management Act foreign investment in Indian companies is subject to certain minimum valuation and pricing guidelines. Such minimum valuation and pricing guidelines may restrict the ability of the Funds to make investments in Indian companies at attractive prices. The RBI has also prescribed certain maximum valuation and pricing guidelines for persons and corporations resident outside India that sell shares of Indian companies to resident Indian persons and corporations. Such maximum valuation and pricing guidelines may restrict the ability of the Funds to sell their investments in Indian companies at market value.

*Accounting, Auditing and Financial Reporting.* There are differences between the accounting, auditing and financial reporting standards and practices in India, the Indian subcontinent, Asia and other emerging markets and those existing in Europe and the United States. These differences may arise in areas such as valuation of properties and other assets, accounting for depreciation, deferred taxation, inventory obsolescence, contingent liabilities and foreign exchange transactions.

## **Conflicts of Interest**

The Advisers and their affiliates may manage additional investment funds and investments similar to those in which any particular Fund will be investing, and may direct certain relevant investment opportunities to those investment funds and investments. The Advisers’ investment staff will continue to manage and monitor such investment funds and

investments. The Advisers believe the significant investment by the Advisers and their personnel in the Funds, as well as the Advisers' interest in the carried interest, operate to align, to some extent, the interest of the Advisers with the interest of a Fund's limited partners, although the Advisers have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to such interests. Such other investment funds and investments that the Advisers may control may compete with a Fund or portfolio companies or portfolio funds acquired by such Fund particularly if compensation (*e.g.*, management fees and/or carried interest) terms vary.

From time to time, the Advisers will be presented with investment opportunities that would be suitable not only for a particular Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of the Advisers. In determining which investment vehicles should participate in such investment opportunities, the Advisers and their affiliates are subject to conflicts of interest among the investors in such investment vehicles. The Advisers attempt to resolve such conflicts of interest in light of their obligations to investors in such investment vehicles managed by them, and attempt to allocate investment opportunities among the Advisers, the Funds and such other investment vehicles in a fair and equitable manner and consistent with the Governing Documents and the Advisers' investment allocation policy. In addition, the Advisers may consult and seek consent relating to conflicts from an advisory board consisting of limited partners of the Funds or such other investment vehicles.

Because the General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for the Advisers to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Because the Advisers or their affiliates may be permitted to retain certain fees from portfolio companies (as described under "Fees and Compensation") in connection with a Fund's investments, the Advisers could have a conflict of interest in connection with approving transactions. The Advisers generally address this potential conflict of interest by offsetting a portion of such fees against a Fund's Management Fees.

As a result of the Funds' controlling interests in portfolio companies, the Advisers and/or their affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to the Advisers and/or their affiliates. Such amounts will be in addition to any Management Fees or carried interest paid by the Funds.

The Advisers and/or their affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by the Advisers and/or their affiliates. Additionally, the Advisers, their affiliates and/or personnel maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Advisers and/or their affiliates, and/or the Funds or other investment vehicles they advise. In addition, portfolio companies may from time to time pay certain fees to third-party consultants (including consultants introduced or arranged by the Advisers and/or their affiliates that may regularly provide services to one or more Fund portfolio companies), and such fees will not offset the

Management Fee as described herein. Any of these situations subjects the Advisers and/or their affiliates to potential conflicts of interest.

Parag Saxena is also a co-founder of Vedanta Management, LP (together with its affiliates “**Vedanta**”), a private investment firm focused primarily on direct investments in the United States and private equity fund-of-funds. In addition to Mr. Saxena, certain personnel of Vedanta (including Margaret Riley, who serves as CCO of both Vedanta and the Advisers) provide structuring, administrative, compliance and back office support to the Advisers and/or the Funds. Certain investment opportunities made available to the Funds may also be made available to Vedanta and as a result will be subject to the Adviser’s allocation policies governing such co-investments between the Funds and Vedanta. Actions and investment decisions taken for and in managing Vedanta and its investment products may be different or directly contrary to actions taken for the Funds.

### DISCIPLINARY INFORMATION

Rajat Kumar Gupta was convicted in the United States District Court for the Southern District of New York on one count of conspiracy to commit securities fraud and three counts of securities fraud on June 15, 2012. The underlying events related to Mr. Gupta’s previous service on the board of directors of Goldman Sachs and it was found that Mr. Gupta provided material, non-public information relating to Goldman Sachs to Raj Rajaratnam and that Mr. Rajaratnam subsequently caused funds with which Mr. Rajaratnam was affiliated to trade on such information. The United States Court of Appeals for the Second Circuit affirmed Mr. Gupta’s convictions on March 25, 2014. In a related civil suit in the United States District Court for the Southern District of New York, the SEC charged Mr. Gupta (along with Mr. Rajaratnam) with insider trading. On July 17, 2013, the court issued an order granting the SEC’s motion for summary judgment against Mr. Gupta. In connection with this judgment, Mr. Gupta was subject to the following sanctions: (i) a civil penalty of \$13,924,665; (ii) an injunction permanently enjoining him from further violations of the securities laws; (iii) a bar permanently enjoining him from serving as an officer or director of any publicly traded company; and (iii) a bar permanently enjoining him from association with any broker, dealer or investment adviser. Mr. Gupta indirectly owns a minority interest greater than 25% of the voting interest of the general partner of the Management Company. Mr. Gupta has no active role in the business or management of the Advisers and their affiliates and has currently placed all of his interests in the Advisers and their affiliates in limited liability companies and a trust where the managers and/or trustee are an unrelated third-party. The Advisers are currently reviewing the impact of the court’s order on Mr. Gupta’s ownership of this indirect interest in the Management Company.

Without admitting or denying the SEC’s findings, the Management Company consented to the entry of a Settlement Order, entered by the SEC on December 14, 2016 (the “**Settlement Order**”), which included a finding that it violated Sections 206(2) and 206(4) of, and Rules 206(4)-7 and 206(4)-8 under, the Advisers Act.

The Settlement Order arose from investments made by the Funds in four portfolio companies in which another private equity fund (the “**Related Fund**”) advised by Vedanta also invested (such investments, the “**Co-Investments**”). To address the potential conflicts of interest posed by the Co-Investments, the Partnership Agreements required the consent of the relevant

Advisory Committee to co-invest with the Related Fund. While generally the Co-Investments were allocated between the Funds and the Related Fund pro rata based on the size of each fund's commitments and on the same terms and same price, the Settlement Order included a finding that NSR failed to obtain consent from the Advisory Committees as required by the Partnership Agreements.

The Settlement Order further found that the Management Company did not adopt or implement written policies and procedures reasonably designed to prevent violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder arising from making of Co-Investments with an affiliate without appropriate client consent.

There were no findings or allegations in the Settlement Order of intentional misconduct or recklessness on the part of the Management Company. As noted in the Settlement Order, a violation of Section 206(2) of the Advisers Act may rest on a finding of simple negligence. A copy of the Settlement Order is available on the SEC's website at [www.sec.gov](http://www.sec.gov).

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Management Company is affiliated with the General Partner, NSR Mauritius and NSR India, each of which is registered with the SEC under the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with the Management Company and serve as advisers, sub-advisers, managers or general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, consultants or persons occupying similar positions.

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

The Advisers have adopted the New Silk Route Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of the Advisers' principals and employees and addresses conflicts that arise from personal trading. The Code generally requires the Advisers' personnel to report their personal securities transactions and to obtain pre-clearance from the Advisers' Chief Compliance Officer ("**CCO**") before directly or indirectly acquiring beneficial ownership or disposing of any securities in an initial public offering or a limited offering or directly or indirectly acquiring or disposing of beneficial ownership of any securities on the Advisers' restricted and/or watch list, including any securities for which the Advisers may have material non-public information ("**MNPI**"). A copy of the Code will be provided to any investor or prospective investor upon request to Margaret Riley, the Management Company's CCO, at (212) 710-5226. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

The Advisers and their affiliated persons may come into possession, from time to time, of MNPI or other confidential information about companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for

their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers. Accordingly, should the Advisers or any of their affiliated persons come into possession of MNPI or other confidential information with respect to any company, the Advisers generally would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Advisers' personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

As discussed under "Methods of Analysis, Investment Strategies and Risk of Loss - Conflicts of Interest," principals and employees of the Advisers and its affiliates may, directly or indirectly, own a direct or indirect interest in one or more of the Funds. Co-invest opportunities may also be presented to certain affiliates of the Advisers, as well as third-party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. The Advisers may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in portfolio companies or otherwise to have priority in co-investment opportunities. The Management Company or its affiliates (including the General Partner) typically commit to invest an amount equal to at least 1% of commitments to a Fund.

Furthermore, the Advisers and their affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may take actions, give advice and recommend securities for their own accounts and/or for family members, friends or other persons or their respective vehicles which may differ from actions taken by, advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

### **BROKERAGE PRACTICES**

The Advisers focus on securities transactions of private companies and generally purchase and sell securities of such companies through privately-negotiated transactions and may, particularly in the case of publicly traded securities, retain the services of a broker-dealer. However, the Advisers may also distribute securities to investors in the Funds or sell such securities, including through a broker-dealer, if a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they will follow the brokerage practices described below.

If an Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Advisers may consider a variety of factors, including, without limitation: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) the gross compensation paid to the broker; and (v) the financial strength of the broker.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any



broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of eligible brokers’ transaction fees and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time. As a general matter, research provided by these brokers would be used to service all of the Advisers’ Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by the Advisers, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

To the extent that the Advisers allocate brokerage business on the basis of research services, they may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on a Fund’s interest in receiving most favorable execution.

To the extent that the Advisers engage in any public securities transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for any Funds are completed independently, the Advisers may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Advisers may, but are not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund is favored over any other Fund.

When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Fund. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

## **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Advisers closely monitor companies and portfolio funds in which the Funds invest, and the CCO periodically checks to confirm that each Fund is invested in accordance with its stated objectives.

Each Fund generally provides to its limited partners (i) annual GAAP audited financial statements, (ii) unaudited financial statements for the first three quarters of each fiscal year, and (iii) annual tax information necessary for each partner's U.S. tax returns. Limited partners may also receive reports summarizing investment information for certain portfolio companies or portfolio funds, as applicable, on a periodic basis.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

The Advisers and/or their affiliates may provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation may, in some cases, offset a portion of the Management Fees paid by a Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees (or expense reimbursements) may be in addition to Management Fees.

From time to time, the Advisers may enter into solicitation arrangements pursuant to which they compensate third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Unless otherwise agreed in the Governing Documents of a Fund, any fees payable to any such placement agents generally will be borne by the Advisers directly or indirectly through an offset against the Management Fee.

#### **CUSTODY**

The Advisers have established accounts on behalf of each of the Funds with:

- DMS Bank & Trust, Ltd., dms House, 20 Genesis Close, P.O. Box 314, Grand Cayman KY1-1104, Cayman Islands; and
- Citibank, N.A., 399 Park Ave., New York, New York, 10022,

each, a qualified custodian, to hold such Fund's funds and securities.

#### **INVESTMENT DISCRETION**

The Management Company, NSR Mauritius and the General Partner have discretionary authority to manage investments on behalf of the Funds. NSR India provides non-discretionary investment sub-advisory services to NSR Mauritius with respect to investments in India and to the Management Company with respect to investments outside of India. As a general policy, the Advisers do not allow limited partners to place limitations on this authority beyond what is agreed to in a Fund's Governing Documents. Pursuant to the terms of a Fund's Partnership Agreement, however, the Advisers may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Management Company, NSR Mauritius and the General Partner exercise their discretionary authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of the Funds.

## **VOTING CLIENT SECURITIES**

The Advisers have adopted the Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how they will vote proxies, as applicable, for a Fund’s portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. The Advisers generally believe their interests are aligned with those of a Fund’s investors through the principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a material conflict of interest in voting proxies, the Proxy Policy provides that the Advisers may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. The Advisers do not consider service on portfolio company boards or portfolio fund advisory boards by Adviser personnel or the Advisers’ receipt of management or other fees from portfolio companies or portfolio funds to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of a Fund. Limited partners who would like a copy of the Advisers’ complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies should contact Margaret Riley, the CCO, at (212) 710-5226, and such information will be provided free of charge.

## **FINANCIAL INFORMATION**

The Advisers do not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.