

Steinberg India Advisors Private Limited

Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Steinberg India Advisors Private Limited (“SIAPL” or the “Registrant”). If you have any questions about the contents of this brochure, please contact us at +91 22 6169 6649. 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 securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about SIAPL is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

SIAPL filed its initial application to register as an investment adviser with the SEC in March 2018. Accordingly, pursuant to disclosure rules under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), that was the first Brochure compiled by SIAPL to provide existing and prospective clients with disclosure of its business practices. This Brochure has since been updated throughout to reflect an additional client relationship that has been entered into. We encourage all recipients of this Brochure to read it carefully in its entirety.

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Item 4. Advisory Business

SIAPL was founded in 2009 and is owned by Saket Narang, Founder and Managing Director. SIAPL provides non-discretionary investment advice to other investment advisers. SIAPL assists its clients in conducting due diligence, research, and evaluation of current and prospective equity investments in Indian based companies.

SIAPL’s investment recommendations are non-binding and the Registrant does not have any discretionary authority to make or implement investment decisions on behalf of clients. Investment recommendations are made based on SIAPL’s understanding of its clients’ investment objectives as may be documented in governing documents or otherwise agreed upon with clients.

SIAPL does not provide continuous and regular supervisory or management services to clients and therefore does not have any regulatory assets under management.

Item 5. Fees and Compensation

For its services, SIAPL's fees are determined with each client depending on the nature of the advisory relationship. SIAPL generally bills its clients either on a monthly or quarterly basis for services rendered calculated based on the costs incurred by SIAPL to provide its services plus a pre-determined mark-up. A portion of the quarterly bill may be paid in advance by clients. However, this amount would not exceed the fees payable for the services rendered up to that point. Therefore, the prepayment of fees would not give rise to an incidence of refund in case of premature or immediate termination of services by clients.

In connection with the implementation of SIAPL's non-binding investment recommendations, investments advisers will incur additional expenses, including but not limited to trading costs and custodial fees.

Item 6. Performance-Based Fees and Side-by-Side Management

Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. Conflicts of interest may exist when an adviser manages accounts that pay performance-based fees and accounts that do not pay performance-based fees at the same time, including that the adviser may have an incentive to favor accounts for which it receives a performance-based fee.

SIAPL's core investment team consists of the three Managing Directors who receive bonuses and other incentives based on performance of accounts managed by one of SIAPL's client to which they provide non-binding investment advice. SIAPL does not believe this creates a conflict of interest with other clients as the Registrant does not make decisions regarding the allocation of investments between client accounts and, as such, does not have the ability to favor an account that pays a performance-based fee. SIAPL may make different recommendations to clients based on each client's specific investment strategy. However, those decisions are not based on how profitable SIAPL perceives an investment may be.

Item 7. Types of Clients

SIAPL provides non-discretionary investment advisory services to other investment advisers.

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

SIAPL provides non-binding advice to clients on certain sectors, companies, and/or investment themes in the public market space in India and assists in conducting due diligence, research, and the evaluation of current and prospective investments. A description of SIAPL's investment philosophy and process, as well as risks involved, are described below.

Investment Philosophy

Identify potential investments through deep, bottom-up, fundamental research: SIAPL relies on in-depth, proprietary, fundamental research to identify what SIAPL believes to be extraordinary risk/reward opportunities. Members of SIAPL's Investment Team analyze each discrete business segment to determine both the possibility of loss of invested capital and the size and likelihood of achieving SIAPL's clients' targeted returns.

Capital preservation: Capital preservation is the primary component of SIAPL's fundamental research and security analysis. Each investment decision incorporates a deep understanding of the strength of a company's core business and earnings, its balance sheet and its sustainable free cash flow as well as the value of its underlying assets, with the goal of limiting the risk of permanent impairment of invested capital.

Recommend investments with a three to five-year strategic time horizon: For each company researched and modeled, a target value is generally established in the context of a three to five-year investment horizon. SIAPL believes a longer-term investment horizon allows its analysts to take a strategic view of a business.

Identify strategic calls: SIAPL's in-depth fundamental research seeks to identify one or more events/developments that may not be reflected in the price of the security, which include new products or contracts, regulatory changes that may result in market share gains or higher profitability, or the use of balance sheet assets to generate shareholder value. Since the potential upside is not reflected in the security price, if the foreseen event/development does not transpire, it does not result in devaluing the security.

Target high-quality management teams: Because SIAPL takes a longer-term strategic view, it seeks high-quality management teams with demonstrated records of operating excellence and capital allocation.

Due Diligence and Research Process

SIAPL's investment universe consists of approximately 900 Indian companies traded on public stock exchanges with market capitalizations that range from \$100 million to \$4 billion. Of this universe, SIAPL maintains an active watch list of approximately 75 companies. SIAPL also investigates certain sectors and investment themes in the public market space. New ideas can come from any member of the Investment Team and ideas often surface as a result of identifying an investment theme, secular trend, or event that the Registrant believes may lead to strong long-term earnings growth and/or a step-function increase in earnings or free cash flow for a business. Investment Team members leverage their existing knowledge of industries and individual companies to explore adjacent industries or find peers in an industry that might be of interest.

SIAPL's research process is designed to uncover investments with asymmetric risk/reward profiles. Fundamental analysis is SIAPL's primary research tool in selecting securities. Analysts have periodic meetings with company management and representatives, in addition to interviewing customers, competitors, and vendors whenever useful and practicable. The information garnered through this process is used to build a proprietary financial model for each

company that SIAPL recommends. This modeling includes strategic uses for cash, and often more than one valuation methodology is used.

SIAPL's process is focused on understanding the key revenue drivers, margin profile, and financial posture of a company's business(es), beyond typical company reporting and sell-side analysis, and identifying the primary sources of earnings and positive free cash flows. This method of analysis allows SIAPL's analysts to better understand businesses and engage in a robust and involved conversation with management teams. Financial models are instrumental in the development of long-term target values as well as near-term risk measures and are updated as appropriate in the analyst's ongoing reviews and discussions with company management.

Investment Process

SIAPL provides clients with a written investment recommendation report, which contains the results of the due diligence and research process and includes the investment thesis and a financial valuation of the company. Clients then decide whether or not to act upon the recommendation. The Investment Team of SIAPL generally meets on a monthly basis to discuss clients' current portfolios and may provide recommendations on rebalancing the investments in certain client portfolios based on existing market conditions. In addition, SIAPL discusses the investment portfolio with clients on a regular basis.

Sell Discipline

In both informal conversations and formal meetings, the Investment Team analyzes whether the risk/reward profile of a security in the portfolio has shifted such that a position should be reduced or eliminated. The Investment Team will recommend a sale, or reduction of a position in a security, if the investment thesis fails to develop along the anticipated lines, the risk profile of the business changes (e.g., due to an unexpected regulatory change, negative development in the competitive structure of the industry, or in the worst case, poor execution by management) or when it believes the return has been realized and the valuation of the company's shares largely or fully reflect the opportunities that were once believed to be unrecognized in the share price.

Risks

While SIAPL seeks to limit risk when making investment recommendations, investing in any security involves the risk of loss that clients should be prepared to bear. A client who acts on SIAPL's investment recommendations could lose money over short or even long periods and should expect the value of the portfolio and total return to fluctuate within a wide range, like the fluctuations of the overall stock market. SIAPL seeks to manage this risk appropriately when making investment recommendations. SIAPL in no way guarantees performance or results and past performance is not indicative of future results. Clients and prospective clients should be aware of the following risks:

- ***Stock Market and Selection Risk.*** The stock market may go down in value and may go down sharply and unpredictably. The stocks recommended by SIAPL may underperform the stock market or other funds with similar investment objectives and investment

strategies. Stock market risk is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

- ***Stocks of Small and Mid-Size Companies Risk.*** The stocks of companies with small and mid-sized market capitalizations typically involve more risk than the stocks of larger companies. These smaller companies may have more limited financial resources, narrower product lines, and may have less seasoned managers. In addition, stocks in these companies may trade less frequently and in lower share volumes, making them subject to wider price fluctuations. Less liquidity in small and midsize companies may hinder a client's ability to sell these securities at the most opportune time compared to larger, more liquid companies.
- ***Value Investing.*** Value stocks can react differently to issues, political, market and economic developments than the market as a whole and other types of stocks. Value stocks tend to be inexpensive relative to their earnings or assets compared to other types of stocks. However, value stocks can continue to be inexpensive for long periods of time and may not ever realize their full value.
- ***Investing in India.*** Investing in Indian securities may represent a greater degree of risk than investing in other securities due to factors such as possible currency exchange rate fluctuations, possible exchange controls, less publicly-available information, more volatile markets, less stringent securities regulations, less favorable tax provisions (including possible withholding taxes), war, or expropriation, some of which are discussed in more detail below. In addition, Indian securities may be impacted differently by various market risks, including quality risks, liquidity risks and volatility. Accounting, financial and other reporting standards in India are not equivalent to those in more developed countries. India's political, social and economic stability is commensurate with its developing status. Certain developments, such as the possibility of political changes, government regulation, social instability, diplomatic disputes, or other similar developments could adversely affect investments. Ethnic issues and border disputes could adversely affect economic conditions in India and consequently the performance of investments. Investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing foreign investment, anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.

Item 9. Disciplinary Information

SIAPL and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the Registrant or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

SIAPL and its management persons are not registered, nor do any of them have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, a futures

commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing entities.

SIAPL, its principals and employees have not identified any current relationships or arrangements with other financial services companies, which are related to SIAPL, that pose material conflicts of interest.

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

SIAPL has adopted a Code of Ethics (“Code”) in order to mitigate potential conflicts of interest. All SIAPL employees are covered by the Code. Below is a summation of the intent of SIAPL’s Code which is designed to ensure that its principals and employees:

- Act with integrity and in an ethical manner with the public, clients, prospective clients, employers and other participants in the global capital markets;
- Place the interests of clients, and the interests of SIAPL above their own personal interests;
- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- Seek to identify and avoid, or properly disclose and address, any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with the Code;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, and engaging in other professional activities; and
- Comply with applicable provisions of the federal securities laws and Indian laws.

SIAPL’s Code includes formal policies and procedures governing personal trading, prevention of insider trading, political contributions, receipt and giving of gifts, and outside activities.

Subject to Code requirements, SIAPL, as well as its principals and employees, may actively engage in trading on behalf of their own accounts, including in securities also held by clients. This practice may create a situation where SIAPL or its principals/employees are in a position to materially benefit from the sale or purchase of those securities and thus pose a potential conflict of interest. Prohibited practices include “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation), “front running” (i.e., personal trades executed prior to those of the SIAPL’s clients to take advantage of potential price changes or limited liquidity resulting from subsequent SIAPL trades in the same security), as well as other

potentially abusive practices. SIAPL's personal trading policies and procedures are reasonably designed to prevent and detect such abuses.

At no time may SIAPL or its principals/employees short individual securities or related securities held in client portfolios or take derivative positions that have the same economic effect as 'betting against' client-held securities. Additionally, SIAPL and its principals/employees must hold for at least 30 days any security held in client portfolios and employees may not trade in a security if it is included on SIAPL's current restricted list as a potential investment for client portfolios or is otherwise restricted from trading by the Chief Compliance Officer. SIAPL's personal trading policy and procedures also require that the Registrant as well as principals/employees: (1) pre-clear certain personal securities transactions; (2) report and certify personal securities transactions on at least a quarterly basis; (3) certify personal securities holdings (initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest and certify such holdings; and (4) report any violations of the Code to the Chief Compliance Officer.

A complete copy of SIAPL's Code may be obtained upon request by any current or prospective client by contacting SIAPL's Chief Compliance Officer, Hetal Jain, at +91 22 6169 6649.

Item 12. Brokerage Practices

SIAPL provides certain clients with non-binding recommendations regarding trading strategies, including recommending specific broker-dealers to clients and discussing possible trading opportunities for its clients' portfolio companies based on its knowledge and understanding of Indian markets. In recommending broker-dealers to clients, SIAPL generally takes into the account the following factors: the ability to effect prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected, the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other broker-dealers.

SIAPL does not have any authority to engage in any trading activities on behalf of its clients and, as such, does not maintain any formal trading relationships or soft dollar relationships on behalf of clients. Certain broker-dealers that are utilized by clients provide SIAPL with research, including research reports, corporate access meetings, and attendance at industry conferences. SIAPL has determined that it would obtain such research regardless of the amount of commissions paid by its clients throughout the year.

Item 13. Review of Accounts

The Investment Team of SIAPL, which is comprised of three Managing Directors, generally meets once a month to discuss the current portfolio of each of its clients and may provide recommendations on rebalancing the investments in the portfolio based on existing market conditions. All investment recommendations are carefully reviewed and approved by the Investment Team prior to being communicated to clients. The progress of all of the investments is carefully monitored on a regular basis.

SIAPL's reporting to clients is determined with each client based on the advisory relationship. SIAPL provides certain clients with written investment recommendations on a periodic basis to initiate positions in new securities; SIAPL generally provides such recommendations three to five times per year. In addition to these written reports, SIAPL also provides certain clients a written portfolio rebalancing recommendation report on a monthly basis, for the client's current portfolio. SIAPL may also provide information, including certain investment research reports, on specific companies upon request from its clients.

Item 14. Client Referrals and Other Compensation

SIAPL does not compensate any person for client referrals nor does it offer or receive sales awards or prizes for providing investment advice to its client. SIAPL receives certain economic benefits from an affiliate of one of its client, including information technology and certain compliance and administrative services including retention of electronic correspondence. Certain of these benefits are used to service other clients.

Item 15. Custody

SIAPL does not have custody, directly or indirectly, of its clients' assets.

Item 16. Investment Discretion

SIAPL does not have discretionary authority to manage securities accounts on behalf of clients. The Registrant provides non-binding investment recommendations to clients.

Item 17. Voting Client Securities

SIAPL does not have authority to vote on its clients' portfolio companies. However, SIAPL provides non-binding recommendations to certain of its clients with respect to resolutions proposed to be passed by portfolio companies that are owned by its clients in accordance with its proxy voting policy and procedures. The authority and responsibility to ultimately cast the vote is with SIAPL's client. SIAPL and its client are made aware of upcoming meetings of portfolio companies from a third-party voting advisory service.

SIAPL and certain of its clients communicate regularly regarding votes/proxies and SIAPL can be contacted by its clients at the telephone number located on the cover page of this Brochure with any additional questions about any particular votes/proxies.

Item 18. Financial Information

SIAPL has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to conduct its advisory business.