

Dalton® Investments LLC

Part 2A of Form ADV

March 30, 2020

Item 1: Cover Page

This brochure is offered to you, our current or prospective client or investor, to provide information on our business qualifications and practices as an investment adviser.

Dalton Investments LLC (“Dalton”) is a disciplined, value-oriented investment management firm committed to capital preservation and long-term growth. We are headquartered in Los Angeles, with offices in Las Vegas, Nevada, Tokyo, Japan, Mumbai, India, and Sydney, Australia. As of December 31, 2019, Dalton had total net assets under management of approximately \$3.51 billion (based on unaudited numbers) in institutional separate accounts and commingled funds. All assets noted above are managed on a discretionary basis. Dalton also manages another account (and may manage other accounts) on a non-discretionary basis, although the assets for the non-discretionary account are not included in the total net assets above.

We have been a registered investment adviser with the United States Securities and Exchange Commission (“SEC”) since our founding in 1999. The format and content of this brochure seeks to satisfy certain regulatory obligations required of all SEC registered investment advisers.

This brochure has not been verified or approved by the United States Securities and Exchange Commission or by any other federal, state or foreign authority. In addition, our registration as an SEC investment adviser does not imply a certain level of skill or training.

If you have questions regarding this brochure or any other information that we have provided to you, please contact us at the following:

1601 Cloverfield Boulevard, Suite 5050N
Santa Monica, California 90404
Phone: (424) 231-9100
Email: investorrelations@daltoninvestments.com

Additional information about us is also available on the SEC’s website at: www.adviserinfo.sec.gov and on Dalton’s website at: www.daltoninvestments.com.

Item 2: Material Changes

In connection with Messrs. James B. Rosenwald III and Gifford Comb's involvement with Rising Sun Management Ltd., an investment adviser for the Nippon Active Value Fund PLC, certain disclosures have been added to the section titled "Material Conflicts of Interest Relating to Other Investment Advisers." Please see Item 10.E. for further information.

Item 3: Table of Contents

Cover Page	1
Table of Contents	3
Advisory Business	4
Fees and Compensation	5
Performance Based Fees and Side-by-Side Management	8
Types of Clients	9
Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Disciplinary Information.....	15
Other Financial Industry Activities and Affiliations	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Brokerage Practices	19
Review of Accounts.....	22
Client Referrals and Other Compensation	23
Custody	23
Investment Discretion	23
Voting Client Securities.....	23
Financial Information.....	24

Item 4: Advisory Business

A. Firm Description

We are a disciplined, value-oriented, global investment management firm committed to capital preservation and long-term growth. Since our founding, our strategies have focused on investments in Asian and Global equity securities, and in 2018 we initiated a new Emerging Markets equities strategy. We generally look for less crowded areas of the markets with the objective of generating positive long-term returns on an absolute and relative basis.

We formed as a California limited liability company in 1999. Messrs. James B. Rosenwald III and Steven P. Persky are our founding partners as well as Gifford Combs, who joined shortly after our founding as a senior portfolio manager. As of January 1, 2020, Messrs. Rosenwald, Persky, and Combs, along with Ms. Belita Ong (Chief Executive Officer) and other employees of Dalton, own Dalton either individually or through their related entities.

B. Advisory Services

We provide discretionary investment advisory services to a select group of domestic and foreign institutional clients including pension plans, charitable organizations and endowments. The investment parameters of each such separately managed account will vary by strategy, client specific guidelines and applicable regulations.

In addition, we also provide discretionary investment advisory services to commingled funds. The investors for the funds include domestic and foreign institutional investors, high net-worth family offices and individuals.

Certain of our commingled funds are structured as “master-feeders” with a domestic feeder, whereby U.S. taxable investors are admitted as limited partners to a Delaware limited partnership and a foreign feeder, whereby U.S. tax exempt entities and foreigners are admitted as shareholders of a Cayman corporation.

The “feeder” funds generally contribute all their assets to a master (Delaware or Cayman) limited partnership which trades and holds investments on behalf of the feeder funds.

In addition to the “master-feeders,” Dalton has also established various other structures for its commingled funds, including one that is structured as a Delaware statutory trust.

Commingled funds are offered only by private placement and are limited to qualified investors as defined by the SEC.

We have included in our ADV Part 1A the list of our private funds managed on a discretionary basis. In addition to the fund disclosures, Part 1A includes information about our affiliated entities that are the general partners to funds. Part 1A is available on the SEC’s website or by contacting us.

We also serve as sub-advisor to certain registered commingled funds, which are distributed by the applicable investment company (or their affiliates) to qualified investors subject to each country's regulations.

C. Customized Services

Our advisory services will vary by client, but we typically have broad and flexible investment parameters and may make investments outside of the core strategies when the opportunity arises and the investment fits our investment philosophy.

For example, certain client accounts and funds may utilize margin borrowing and other forms of leverage. Our client mandates may permit us to invest in long and short positions as well as certain illiquid securities and jurisdictions. Investment parameters and limitations are described in each client's respective advisory contract.

Similarly, the holdings for the pooled investment vehicles which Dalton sub-advises will vary by and within a strategy. This is attributable to differing investment strategies, various investment restrictions and tailoring for certain investor limitations or requests.

We may emphasize or deemphasize, add, develop or eliminate different investments and strategies from time to time depending upon, among other factors, our view of new market opportunities or regulatory changes.

To the extent that our clients are commingled funds, we provide advisory services to the commingled fund and not to the individual investors in such fund.

In addition, we may enter into separate agreements with certain investors in our commingled funds which may provide more favorable terms than those provided to our other investors.

D. Wrap Fee Programs

None.

E. Client Assets

As of December 31, 2019, our net assets under management were approximately \$3,510,794,557 regulatory assets (based on unaudited numbers). We also manage a non-discretionary account, and we may provide certain investment-related consulting services to certain clients.

Item 5: Fees and Compensation

A. Advisory Fees and Compensation

Management Fees

Our compensation generally includes a management fee typically paid in arrears either monthly or quarterly. Fees for strategy-specific separately managed accounts are subject to negotiation.

Factors such as the client's proposed investment size and/or a long-term commitment may be taken into consideration in negotiating the fee.

Management fees payable by the commingled funds may vary and are described in each fund's offering materials, or organizational documents. Dalton's standard management fees charged to the funds are calculated as a percentage of assets under management and typically range from 1 up to 2.0% per annum, but may be lower per client written agreements. Management fees are generally payable and deducted from the assets of each Fund quarterly in arrears.

Performance Fees and Allocations

For certain client accounts and commingled funds, including the UCITS, we may receive performance-based compensation. For our funds, our standard performance-based allocation is typically charged at a year-end generally, at a rate of 20% of all net realized and unrealized profits (if any) from each investor's account as of year-end which is then reallocated to the respective fund's general partner account. Certain funds may have a performance-based compensation based on relative performance over a specific benchmark, greater than one year performance measurement periods and differing performance compensation rates.

The UCITS vehicles that we sub-advise also include performance-based compensation as described in their offering materials. The compensation percentages will vary by and among the different classes within the UCITS.

We are generally not entitled to receive any performance-based compensation to the extent that there are unrecouped accumulated losses in performance carried forward from prior years.

We may decide to rebate, reduce, or waive either the management fee or performance-based compensation for certain classes or investors. To the extent that we are sharing portions of the either management fee or performance compensation with others, it is solely at our cost.

Redemption Amount

We seek to partner with investors who share our long-term view and investment philosophy.

Thus, some of our funds and other collective vehicles may be subject to a fee for withdrawals made during a lock-up period. In those cases, we may charge an early withdrawal fee ranging from 5-10% and deduct directly from the early withdrawal amounts.

Some of our separately managed accounts may also have an early withdrawal provision that provides for a change in fees for early withdrawals.

B. Payment of Fees

We generally charge management fees as of either monthly or quarterly in arrears based upon assets under management for the respective measuring period. The management fee is typically pro-rated for contributions or withdrawals made within, depending on the fund, either intra-month or quarter.

Separate account clients must authorize the payment of management fees on a transaction-by-transaction basis. In certain cases, upon client request, separate account clients will authorize such approved fees to be debited directly from their account. Fees paid from commingled funds are debited directly from the funds.

Payments are due and are charged at the first day after the end of each calendar month or quarter based on the average value of the assets under management for each client as of the close of business on the last business day of each month or quarter.

To the extent applicable, management fees are calculated after the accrual of any applicable performance-based compensation.

C. Additional Fees and Expenses

Any additional fees and expenses for our separately managed account clients will vary and are subject to negotiation.

Fund investors may pay certain expenses directly or reimburse us for certain expenses paid on a fund's behalf as described in their offering materials. Certain investors have limited the amount of expenses that they pay, pursuant to letter arrangements.

Generally, funds are responsible for operating expenses which may include, but are not limited to the following:

- brokerage and execution charges, commissions, custodial charges, and fees for quotation and other data services;
- accounting, trading, portfolio management and risk management systems expenses;
- research subscriptions and expenses;
- travel, legal and consulting fees related to investment research;
- broken trade and broken deal fees;
- expenses to register securities and transfer taxes;
- costs and expenses incurred for the purpose of protecting or enhancing a fund's value of the assets of (including the costs of instituting and defending litigation);
- U.S. federal, state and local taxes, filing and registration fees (other than our corporate taxes);
- investor communications, relations, bookkeeping, accounting and the preparation and mailing of financial, tax and performance information to investors fees, costs and expenses;
- fees, costs and expenses incurred in connection with borrowings;

- administration fees, costs and expenses;
- premiums and other costs of D&O/E&O and other insurance;
- fees for attorneys, accountants, consultants and other professionals or experts related to a fund's investment; and
- Directors' fees.

If one of our funds holds other collective managed investments, *e.g.*, mutual funds, those underlying fund fees, including a management fee, other fund expenses and a possible distribution fee, are paid by the fund directly and are not deducted or rebated from our fees. Please note that you can generally purchase mutual funds directly without Dalton's advisory services.

D. Prepayment of Fees

Not Applicable.

E. Additional Compensation and Conflicts of Interest

While Dalton utilizes third parties to administer the commingled funds, Dalton typically assists in reviewing the net asset value of the commingled funds and retains responsibility to determine the net asset value of its separately managed account clients. This practice creates a potential conflict of interest because if the determination of the net asset value is inaccurate, Dalton might receive management fees and performance compensation that are greater (or less) than the actual compensation entitled. In addition, for the commingled funds, inaccurate valuations could potentially cause redeeming investors and new investors to receive less (or more) fund redemption proceeds or interests than otherwise entitled. Dalton has instituted valuation policies and procedures, which include monthly internal valuation committee meetings as well as reconciliation procedures for identifying and resolving material differences with third-party administrators.

Additionally, from time to time Dalton investment team members may serve as directors or special observers on the boards of directors of companies we invest in, and in such cases the employee may receive director fees and/or expenses.

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

We manage client accounts with differing fees – including management fee only and lower or relative performance-based compensation accounts.

Consequently, the incentive to favor higher performance-based compensation accounts over accounts with differing fees exists as a potential conflict of interest.

In addition, performance-based compensation may create an incentive for our portfolio managers to select investments that are riskier or more speculative than might otherwise be the case for fixed managed fee accounts.

We seek to mitigate this potential conflict through our allocation policies and procedures. See Items 10 and 12 below for a more detailed discussion of conflicts of interest.

Item 7: Types of Clients

Dalton's clients include:

Institutional separate account clients – *e.g.*, pension plans, corporations, charitable entities and endowments.

Commingled funds, including private funds such as Dalton's master-feeder funds, Delaware statutory trust, and other private commingled funds, and registered funds sub-advised by Dalton.

Investors in the funds may include, among others, fund of funds, pension funds, endowments, foundations, other financial institutions and corporations, family offices and high net worth individuals. Dalton requires that each US investor in its private commingled funds be an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and a "qualified purchaser" as defined under the Investment Company Act of 1940. Investors in the funds are generally required to invest a minimum of \$1,000,000. Dalton has waived, and reserves the right to modify or waive, this minimum requirement.

Required investment amounts for separately managed accounts are negotiated and may differ substantially.

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

We are a disciplined, value-oriented, global investment management firm committed to capital preservation and long-term growth. Since our formation, our strategies have primarily focused on investments in Asia and Global markets. In 2018, we added an Emerging Markets equities strategy.

We seek less crowded areas of markets and believe our value is largely attributable to our agility and rigorous value analysis. Our investment objective is to generate positive long-term compounded returns on an absolute and relative basis.

Across our strategies and client accounts, we seek broad and flexible mandates. We generally concentrate the number of investment holdings. We search for investments that we believe are mispriced or misunderstood in the market and have the potential for appreciation over a longer holding period.

We invest and trade in securities and other instruments, including but not limited to stocks, bonds, notes, high-yield securities, options, warrants, rights, private claims, bank debt, sovereign debt, credit default swaps, derivatives, commodities, futures, options on futures and other securities and instruments of U.S and non-U.S. issuers. Certain accounts may engage in short selling, margin trading and other investment and hedging strategies.

A. Methods of Analysis and Investment Strategies

Asia Strategy and Emerging Markets Strategy

James B. Rosenwald III is Dalton's founder and senior portfolio manager for our Asia strategy and our Emerging Markets strategy. Mr. Rosenwald has more than 30 years of investing experience in the region.

He is supported by research teams in Los Angeles, Tokyo, Mumbai and Sydney. The research teams run a rigorous screen on prospect companies by applying a fundamental value analysis on each investment. Our Asia mandates are typically Japan only or pan-Asia. Our Emerging Markets mandate began in 2018.

We search for undervalued, owner-operated, profitable businesses that we believe are likely to benefit from the substantial growth and structural changes taking place in Asia and emerging markets. Our shorts include specific positions with the opposite characteristics for our long positions or serve as a hedge for the portfolio or a specific security within the portfolio.

Investment ideas are primarily internally-generated and all investments are researched by the portfolio managers and analysts prior to purchase or sale which is ultimately made by Mr. Rosenwald. Our research includes our own determination of fair value through our rigorous analysis of company financials, requires meetings with key company managers, suppliers, and/or clients to assess company strategy and alignment of interests. We will often apply a private equity discounted cash flow analysis in selecting investments.

While our investments are primarily in equity securities, certain accounts (including the master-feeder funds and UCITS) permit derivatives, options, debt and other complicated investments.

Global Strategy

Dalton's Global strategy is managed by Gifford Combs. Mr. Combs has over 30 years' experience as a value investor and has managed equity portfolios for both domestic and international institutions.

His investment philosophy focuses on a smaller number of securities, while continuing to emphasize portfolio selection based on traditional valuation criteria. Mr. Combs seeks to invest in situations that are not generally well-followed or understood by the investment community.

Through detailed research, and patience, Mr. Combs aims to build a concentrated portfolio of high conviction investments and generate above average compounded returns on a long-term basis.

Mr. Combs seeks to adhere to a few investment principles.

- Invest in what he believes to be high-return cash generators
- Search for shareholder friendly management
- Concentrate investments held

Other

From time to time, we may manage and provide advisory services for real estate assets directly or through one of our affiliated advisers, Rosenwald Capital Management, Inc.

Dalton has adopted a sustainable investment philosophy for environmental, social and governance (“ESG”) investing and has joined the Principles for Responsible Investment. Dalton also has an in-house professional focused on ESG research. Further information may be found on Dalton’s website.

We may offer other advisory services, engage in any investment strategy and make any investment, at any time.

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE. THE VALUE OF THE INVESTMENTS AND THE INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INVESTED. THESE INVESTMENTS ARE DESIGNED FOR INVESTORS WHO UNDERSTAND AND ARE WILLING TO ACCEPT THESE RISKS. PERFORMANCE MAY BE VOLATILE, AND AN INVESTOR COULD LOSE ALL OR A SUBSTANTIAL PORTION OF ITS INVESTMENT.

B. Certain Risks Relating to Investment Strategies

In considering an investment with us, we urge you to view our strategies as speculative and entailing substantial risks. There is no assurance that we will meet our investment objectives. While capital preservation is a primary focus of our investment process, you should consider the impact to you of a substantial or total loss of your investment.

We have included below certain risk factors that we believe are material, significant or unusual for our strategies based on current information. This list is not a complete explanation of the risks that should be considered prior to investing with us. We do not address certain standard material risk factors that may cover for example certain instrument types or structural risks. Some or all of these risks may be applicable to a strategy mandate or fund. Please thoroughly review all materials with your advisers in consideration of your specific circumstances or risk tolerance.

Foreign Investment Considerations

Special risks associated with securities of foreign companies add to the complexity and usual risks inherent in domestic investments. Such special risks include fluctuations in foreign exchange, political or economic instability in the country of issue, and the possible imposition of exchange controls or other laws or restrictions.

In addition, securities prices in foreign markets are generally subject to different economic, financial, political and social factors than are the prices of securities in U.S. markets. With respect to some foreign countries there may be the possibility of expropriation or confiscatory taxation, limitations on liquidity of securities or political or economic developments.

Moreover, less information may be publicly available concerning certain of the foreign issuers of securities than is available concerning U.S. companies. Foreign companies are also generally not subject to uniform accounting, auditing and financial reporting standards or to practices and requirements comparable to those applicable to U.S. companies. Trading foreign investments may be particularly difficult depending on the foreign jurisdiction.

Emerging Markets

Emerging market investments are subject to all of the risks of foreign investments generally, as well as additional heightened risks due to a lack of established legal, political, business and social frameworks to support securities markets.

These risks may include, without limitation:

- liquidity risks (sometimes aggravated by rapid and large outflows of “hot money” and capital flight),
- extreme currency and political risks, including potential exchange control regulations and restriction on foreign ownership,
- repatriation of capital,
- social instability and unrest, terrorism, corruption and crime,
- delays in settling portfolio transactions, risk of loss arising out of systems of security registration and custody, less effective government regulation and supervision of business and industry and a greater likelihood of disruptions brought about by regional conflicts, and
- high levels of inflation, deflation or currency devaluation, each of which can harm their economies and securities markets.

Given our investment strategy, portfolio holdings may be highly volatile and may decline significantly in response to adverse issuer, political, social, regulatory, market or economic developments.

Foreign Currency Transactions and Exchange Rate Risk

Investments may be denominated in non-U.S. currencies and in other financial instruments, the price of which is determined with reference to such currencies. To the extent unhedged, the value of an account’s net assets is subject to fluctuations in exchange rates as well as with price changes of the account’s investments in the various local markets and currencies.

Forward currency contracts and options may be utilized to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be available or, even if undertaken, effective.

Highly Volatile Markets

Price movements of forward contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments and interest rate-related options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Concentration of Investments

Client accounts may hold a relatively small number of securities positions, each representing a relatively large portion of the account's capital and may hold a large percentage of capital in cash while awaiting better opportunities. Losses incurred in these positions could have a material adverse on an account's overall financial condition, including opportunity loss.

Small Capitalization Companies

The securities of small capitalization and recently organized companies pose greater investment risks. The equity securities of small capitalization companies may be more illiquid, i.e. less trading volume.

Investments in small capitalization companies may also be more difficult to value than other types of securities. Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than those of larger capitalization companies.

Short Sales

For certain client accounts, we may make short sales in any type of securities. Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may continuously increase.

General Derivative Considerations

The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the account's portfolio as a whole.

Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on the account's performance. Because derivatives are bi-lateral contracts, these investments include counter-party risk in addition to the risks associated with the underlying investment.

Distressed Securities

Distressed securities may include the purchase of securities of issuers in bankruptcy, at risk of filing for bankruptcy or may be insolvent. The identification of investment opportunities in distressed securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired.

While investments in distressed securities offer the opportunities for above average returns, these investments involve a high degree of risk and can result in substantial losses. In addition, the portfolio may be required to hold such securities for a substantial period of time before realizing their anticipated value.

High Yield Debt Securities and Non-Performing Debt

We may invest in non-performing, “distressed” debt – high yield bonds issued by entities that have already indicated an inability to pay outstanding interest or principal. The value and liquidity of these instruments may be diminished by adverse publicity and investor perceptions.

The ultimate recovery for holders of such bonds often depends upon the resolution of complex legal questions, determined in the context of bankruptcy reorganization. These securities often are contractually or structurally subordinated in right of payment to prior claims of banks or other senior lenders, and will typically be unsecured.

Because defaulted high yield securities are frequently traded only in markets where the number of potential purchasers and sellers, if any, is limited, our ability to sell these securities at their fair value may be limited.

Structured Securities

Structured securities are complex securities whose value is determined by reference to changes in the value of specific currencies, interest rates, commodities, indexes or other financial benchmarks.

Structured securities may present a greater degree of market risk than other types of fixed-income securities and may be more volatile, less liquid and more difficult to price accurately than less complex securities.

Mortgage-Related and Other Asset-Backed Securities Risk

We may invest in a variety of complex mortgage-related securities issued by government agencies or other governmental entities or by private originators or issuers.

These may include, without limitation, mortgage pass-through securities, collateralized mortgage obligations, commercial or residential mortgage-backed securities, mortgage dollar rolls, CMO residuals, stripped mortgage-backed securities and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. Dalton may also invest in other types of asset-backed securities, including collateralized debt

obligations which include collateralized bond obligations, collateralized loan obligations and other similarly structured securities.

Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. For instance, these securities may be particularly sensitive to changes in prevailing interest rates. Rising interest rates tend to extend the duration of mortgage-related securities. This is known as extension risk.

In addition, mortgage-related securities are subject to prepayment risk—the risk that borrowers may pay off their mortgages sooner than expected, particularly when interest rates decline. This can reduce an investor's returns because the investor may have to reinvest that money at lower prevailing interest rates

Investments in other asset-backed securities are subject to risks similar to those associated with mortgage-backed securities, as well as additional risks associated with their structure and the nature of the assets underlying the security and the servicing of those assets. For instance, certain CDOs are backed by pools of high-risk, below investment grade debt securities and may involve substantial credit and other risks. Further, due to their often complicated structures, various mortgage-related and particularly asset-backed securities may be difficult to value and may constitute illiquid investments.

C. Recommendations of Particular Types of Securities

Not Applicable

Item 9: Disciplinary Information

To the best of our knowledge and as certified annually by each employee, none of our employees have been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of us.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

Not Applicable

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor Registration Status

We have been registered as a Commodity Trading Advisor with the CFTC since 2001.

Dalton's pooled vehicles rely on exemptions from registration with the CFTC.

C. Material Relationships or Arrangements with Industry Participants

We provide discretionary investment management services to, and our affiliates serve as the general partner to various commingled funds.

Our Tokyo, Mumbai and Sydney offices are wholly owned and controlled by us. Employees of the Tokyo, Mumbai and Sydney offices do not work for any other third party. In addition, Rosenwald Capital Management, Inc. and Rising Sun Management Ltd. (“Rising Sun”), are affiliated entities under common control with us, and Dalton Investments, Inc., incorporated in Las Vegas, Nevada, is a relying adviser of Dalton.

Our offices are integrated into Dalton’s systems and operations. All are subject to our compliance policies and procedures and Dalton’s Chief Compliance Officer (“CCO”) serves as CCO for each entity.

Dalton serves as sub-adviser to certain funds. Dalton is not aware of any conflicts of interest in relation to these accounts.

D. Certain Conflicts of Interest Among Our Clients

We have adopted policies and procedures, including Code of Ethics and other policies to address certain potential conflicts of interests.

Our affiliated persons and employees may from time to time act as directors, secretary, manager, investment manager or investment adviser or carry out other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives.

In addition, we do not generally prohibit engagements in existing or future business if such activity does not materially interfere with our business or conflict with our obligations.

Different accounts charge differing fees and incentive fees and/or allocations due to circumstances such as different contractual rates or loss recovery account balances.

Our accounts may have conflicting interests with respect to their investments, including with respect to selling objectives, taxes, performance, liquidity, timing and other objectives. For example, certain accounts may from time to time be selling securities and instruments that other accounts may continue to hold and/or purchase.

Performance results may vary substantially among our client accounts.

E. Material Conflicts of Interest Relating to Other Investment Advisers

We along with our affiliates have relationships with certain advisers and operating companies that could present potential or actual conflicts of interest. Rosenwald Capital Management, Inc., the Managing Member of Dalton, may trade similar securities as Dalton for its own client accounts. We, however, manage this conflict by conducting all such trades of similar securities (publicly-traded equities) through Dalton traders and under the review of the Dalton compliance program.

Mr. Rosenwald serves as the Chief Investment Officer and a Director of Rising Sun, an investment adviser for Nippon Active Value Fund PLC (“NAVF”), incorporated in England and Wales and listed on the London Stock Exchange. Rosenwald Capital Management, Inc., the

Managing Member of Dalton, also is a majority-owner of Rising Sun. Additionally, Mr. Combs serves as a Director of Rising Sun. The financial adviser and the sole underwriter for NAVF is Shore Capital Group, where Mr. Rosenwald serves as a director, and Rising Sun entered into a research services agreement with Dalton Advisory KK, a Tokyo-based, wholly-owned research subsidiary of Dalton.

Rising Sun, although investing in listed equities in Japan, generally employs a strategy different from the strategies that Dalton employs for the accounts that it manages. More specifically, Rising Sun employs an “activist” strategy and invests in businesses run by professional directors (commonly referred to as “salary-men” in Japan), not owner-operator businesses. Nonetheless, there is a possibility that investment opportunities that are appropriate for a Dalton account also may be appropriate for NAVF, and there is no assurance that a Dalton account will receive an allocation of all of those investments that it wishes to pursue, for regulatory (*e.g.*, if Rising Sun becomes aware of material, non-public information about a Japanese company) or other reasons. Further, Messrs. Rosenwald and Combs, along with Dalton Advisory KK, commit time and resources to Rising Sun and NAVF, in addition to their responsibilities owed to the Dalton accounts.

In addition, when a Dalton account invests in NAVF, Rising Sun will be charging fees to the account. Under those circumstances, Dalton will waive its fees to the extent necessary so that no double-charging will occur at the Dalton level on one hand and at the Rising Sun level on the other hand.

We may hold capital interests in the management companies of other investment firms or in such firms’ private investment limited partnerships and may serve as directors for such management companies. Neither we nor our affiliates, however, have the power to direct the management or policies of such management companies.

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

A. Code of Ethics

Our Code of Ethics is designed to monitor and prevent potential conflicts of interest. It generally requires:

- Dalton and its “supervised persons” consider the interests of our clients before their own;
- compliance with federal securities laws;
- reporting and review of personal securities transactions and holdings;
- reporting of violations of the Code; and
- distribution of the Code to all personnel, as it may be amended, with a requirement that all supervised persons provide a written acknowledgement that they have received the Code.

Our supervised persons consist of the managing member and managing directors; employees and other persons subject to our supervision and control. For purposes of compliance with the Code, we treat all “supervised persons” as “access persons.”

Our policy includes, among others, restrictions on trading certain instruments, including reportable securities for supervised persons’ personal accounts without first obtaining pre-clearance, serving on the boards of directors of any outside companies except with the approval of Dalton’s CCO or General Counsel, or receiving or offering gifts or entertainment worth a substantial monetary value from or to persons doing business with Dalton.

A copy of Dalton’s Code will be furnished upon request.

B. Securities in which Dalton or a Related Person has a Material Financial Interest

Cross Trades

From time to time, we may determine that it would be in the best interest of certain clients to transfer a security from one client to another for a variety of reasons, including without limitation, tax purposes, and liquidity purposes, to rebalance the portfolios of the clients or to reduce transaction costs that may arise in open market transactions.

If we determine that a cross trade is in the best interests of each client involved, we will take steps to ensure that the transaction is consistent with our fiduciary duty to each client, is permitted pursuant to the guidelines for each of these clients and is compliant with ERISA regulations, as applicable.

Principal Transactions

To the extent that a cross trade may be viewed as principal transaction due to the ownership interest in a client by Dalton or its personnel, we will comply with the requirements of Section 206(3) of the Investment Advisers Act of 1940, and Dalton must receive written client approval prior to settlement of the trade.

C. Investing in Securities that Dalton or a Related Person Recommends to Clients

We have implemented policies, relating to personal account trading by employees and related persons designed to reduce, monitor and resolve conflicts of interest. Our access persons are subject to our personal trading pre-clearance policy, which includes no trading of reportable securities without the approval of the CCO and is designed to generally prevent access persons from transacting in securities of issuers at or about the same time that we recommend securities to Client accounts. Our policy also prevents transactions in securities that are restricted from trading.

D. Conflicts of Interest Created by Contemporaneous Trading

Please also see discussion under Item 12.B below, as well as Item 11.A above.

We have designed policies and procedures that seek to monitor and resolve conflicts fairly and equitably.

We may give advice or take action with respect to the investments of one or more client accounts that may not be given or taken with respect to other client accounts with similar investment programs, objectives and strategies.

Accordingly, although certain client accounts may have similar strategies, they may not hold the same securities or instruments and may not achieve the same performance. Returns for any given client account may also adversely affect the prices and availability of other securities or instruments.

Item 12: Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

As an investment adviser, we have full discretion and authority to make all investment decisions with respect to the types, amounts and prices of securities or instruments to be bought or sold, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Our primary consideration in executing a securities transaction is to obtain best execution. Best execution may take the following into consideration: the best net price available; the reliability, integrity and financial condition of the broker-dealer; the size of and difficulty in executing the order; and the value of the expected contribution of the broker-dealer to the investment performance of our clients on a continuing basis. Therefore, the price to a particular client in any particular transaction may be less favorable than that available from another broker-dealer if the difference is reasonably justified by other aspects of the execution services offered.

1. Research and Other Soft Dollar Benefits

Brokers who effect securities transactions for our client accounts may provide us with research and other brokerage services, which benefits Dalton because such services supplement our own research. Research and brokerage services received through the placement of securities transactions of clients are available for the general benefit of all our client accounts, and the research and brokerage services may be utilized in connection with managing accounts that have not placed securities transactions.

We intend to use commission or “soft” dollars to pay for proprietary and/or third-party research or brokerage products or services that fall within the safe harbor for soft dollars created by Section 28(e) of the Securities Exchange Act of 1934. Research products and services, which are generally written or on-line, include, but are not limited to, investment reports, pricing and financial information, investment periodicals, financial reports, company reports, regulatory filings, news services, industry reports, economic reports, company recommendations, interview services, analyst reports and comments, political and regional analyses.

Research and brokerage services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons and economists. Reports, services and products may or may not contain specific recommendations about a company, sector, region or time horizon, but shall contain information to assist in the investment decision-making process. Dalton has an incentive to select or recommend a broker-dealer based on Dalton's interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution. Generally where a product or service obtained with commission dollars provides both 28(e)-eligible and 28(e)-ineligible products or service assistance, we will make a reasonable allocation of the cost which may be paid for with commission dollars and we will pay the remainder. In making good faith allocations of costs between 28(e)-eligible and 28(e)-ineligible assistance, a conflict of interest may exist on the allocation of the costs of such benefits and services that primarily benefit us and those that primarily benefit our client accounts.

Generally, arrangements for the provision of research and other brokerage services are subject to the following conditions: (i) the approval process involves Dalton's CCO, CFO or Dalton's Risk Management Committee; (ii) the arrangement is documented; (iii) the services provided by the broker-dealer are for the benefit of our client accounts; and (iv) no such arrangement commits any of our client accounts to pay a specified rate of commission to, to generate a specified amount of commission with, or to make any payments to, any particular broker-dealer.

Research and other services paid for with soft dollars will not necessarily benefit all clients equally. Some clients whose commissions are not used to generate soft dollar credits may benefit. In certain cases, the research services are available only from the broker-dealer providing such services. In other cases, the research services may be available from alternate sources in exchange for cash payments.

We may cause a particular client to pay a broker or dealer that provides brokerage and research services to us an amount of commission for executing a securities transaction in excess of the amount of commission that another broker or dealer would have charged for effecting the same transaction. Our portfolio manager will have determined, however, that the particular amount of commission in this event will be reasonable in relation to the value of brokerage and/or research services provided by the executing broker-dealer. In making this determination, the benefits of research or brokerage services are evaluated to define the product or service provided in making investment decisions on behalf of our clients. The receipt of eligible research and brokerage products and services provided through a soft dollar arrangement could potentially create a conflict of interest since Dalton would otherwise have to pay for such products and services with hard dollars. We review soft dollar services quarterly in connection with our Risk Management Committee meetings.

In addition to the above, Dalton partners with Tora Trading to supplement Dalton's internal trading resources and execution capabilities. To the extent applicable, Tora's commissions are paid by Dalton's clients in addition to other brokerage execution costs and are reviewed in Dalton's best execution review process. Lastly, Dalton employs a third-party vendor for soft dollar aggregation services. The cost associated with soft dollar aggregation generally is included in the brokerage commissions.

2. Brokerage for Client Referrals

We may participate in certain “capital introduction” programs organized or sponsored by certain prime or executing brokers to our client accounts. Through such events, prospective investors would have the opportunity to meet with our representatives. We do not compensate prime or executing brokers or their affiliates for organizing such programs or making such introductions or for any investments ultimately made by such prospective investors, nor do we anticipate doing so in the future.

While such programs and introductions may provide an incentive or influence us in deciding whether to use such prime or executing broker, we will not commit to allocate a particular amount of brokerage to a prime or executing broker in any such situation.

3. Directed Brokerage

We do not routinely recommend, request, or require that a client direct us to execute certain transactions through a specified broker-dealer.

On occasions, a client may direct us to effect securities transactions in the client’s account through a specific broker/dealer. This instruction shall be construed as a “directed brokerage arrangement.” In such circumstances, the client is responsible for negotiating the terms and arrangements for their account with that broker/dealer. We will not seek better execution services or prices from other broker/dealers or be able to aggregate the client’s transactions (unless via a “step-out” trade), for execution through other broker/dealers, with orders for other accounts advised or managed by us. As a result, we may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

We will document the client’s direction of brokerage.

B. Order Aggregation

We may, but are not obligated to, aggregate purchase or sale orders and allocate the securities or other assets so purchased or sold, on an average price basis, among participating client accounts. Dalton will generally aggregate purchase and sale orders of investments held by client accounts in the same strategy with similar orders being made simultaneously for other accounts or entities if, in Dalton’s reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to clients based on an evaluation that they will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors.

To the extent that certain purchase or sale transactions are recommended for clients in different strategies or by different portfolio managers, Dalton typically will not aggregate such orders and, in fact, such portfolio managers could cause different clients to take investment positions that are different from or adverse to those taken for another client, including positions contrary to those or senior or junior to those held by such client.

Institutional separate accounts are generally traded independently when the account guidelines/restrictions differ from other accounts. As such, Dalton may or may not aggregate trades or determine pre-trade allocation for separately managed accounts with differing guidelines or mandates.

Accounts trading *pari passu* with other like accounts generally are allocated on a *pro rata* basis. Allocations for aggregated trades are generally determined prior to the trade. In determining trade allocation, however, we may consider other factors as we deem appropriate, including, but not limited to, investment objectives, investment limitations, cash availability, liquidity, the timing of capital inflows and outflows and anticipated capital commitments, subscriptions, distributions and/or withdrawals, portfolio diversification, relative market, industry or country exposure, tax efficiency and potential adverse tax consequences, regulatory, policy and/or other restrictions applicable to clients, the risk profile of an investment opportunity, and any other factors deemed relevant by us. The outcome of any allocation determination by us therefore may result in the allocation of all or none of an investment opportunity to a particular client or account. There can be no assurance that a client or an account will have an opportunity to participate in certain investments that fall within the client's or account's investment objectives or guidelines. We may amend our trade allocation policies at any time at its sole discretion.

Item 13: Review of Accounts

A. Frequency and Nature of Review of Client Accounts or Financial Plans

We perform various daily, weekly, monthly, quarterly and periodic reviews of each client's portfolio. In addition to reviews by the portfolio managers listed below, Dalton's operations team and compliance team are also involved in reviewing client portfolios.

Mr. Rosenwald reviews all accounts within the Asia strategy and the Emerging Markets.

Mr. Combs reviews all accounts within the Global strategy.

B. Factors Prompting Review of Client Accounts other than a Periodic Review

A review of a client account may be triggered by unusual activity or special circumstances on a case-by-case basis.

C. Content and Frequency of Account Reports to Clients

We provide the following written reports to our fund investors:

- (1) annual audited financial statements are sent to investors within 120 days after the end of the fiscal year; and
- (2) monthly performance and account report

Reporting with respect to separately managed accounts is subject to negotiation and follows each client's investment management agreement. Such reports are typically written.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

We do not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

Dalton has engaged a third-party marketer, a registered broker-dealer, to assist in marketing its private funds. Dalton also acts as sub-adviser to certain registered funds, and those fund platforms may or may not have third-party distribution arrangements. In addition, certain trailing payments are still occurring for referral agreements that have been terminated.

Item 15: Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however, we are deemed to have constructive custody of the assets of certain private funds that we manage due to Dalton or a related person serving as general partner for such funds. Additionally, Dalton may be deemed to have custody due to direct debiting of fees from separate account clients.

Investors in our funds receive monthly account balance statements from the independent administrator in lieu of the custodian statements for the funds. Additionally, the funds are audited on an annual basis and investors receive a copy of the audited financials within 120 days of the funds' fiscal year-end.

Separate account clients should receive quarterly or monthly statements from the qualified custodian that they have selected. Clients should carefully review those statements and should compare them to any statements received from Dalton.

Item 16: Investment Discretion

Unless otherwise specified and except for one account as of the date of this document, we have discretionary trading authority for each client account granted through an investment management agreement, limited partnership or similar operating documents. Investment decisions and advice are subject to the investment objectives and guidelines included in client's advisory agreement.

We or our affiliates have entered into an investment management agreement, limited partnership agreement or similar agreement with each fund, or beneficial owner of each managed account, evidencing our granted discretionary trading authority.

Item 17: Voting Client Securities

Generally, we seek to vote proxies on behalf of our clients to maximize shareholder value. To that end, we seek to consider both the short- and long-term implications of a proposal. We monitor for potential conflicts of interest between the client's interest and our own within the

proxy voting process. Clients generally cannot direct Dalton's proxy votes. Certain clients control their own voting and do not give Dalton a proxy.

Dalton's Risk Management Committee is responsible for monitoring material conflicts of interest that we, our affiliates or our affiliated persons may face. If a material conflict is identified, our proxy procedures include: (1) voting with the recommendation of an outside proxy voting service, (2) a unanimous vote by three disinterested management committee members or (3) engagement of an outside consultant.

Our proxy voting policy and procedures are available for further review. Any client may request a proxy voting report at any time. For further information, please let us know. Our contact information is on the first page of this brochure.

Item 18: Financial Information

We have never filed for bankruptcy and are not aware of any financial condition expected to affect our ability to manage client accounts.