

**Item 1. Cover Page**

**Form ADV, Part 2A  
DISCLOSURE BROCHURE  
November 2021**

**Raga Partners LP  
298 Elizabeth Street  
New York, New York 10012  
(646) 580-4086**

*This brochure provides information about the qualifications and business practices of Raga Partners LP. If you have any questions about the contents of this brochure, please contact us at 646-580-4086. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.*

*Raga Partners is registered as an investment adviser with the SEC. Registration with the SEC simply means that Raga Partners is authorized to provide investment advisory services and does not imply a certain level of skill or training.*

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

## **Item 2. Material Changes**

The Material Changes section of the Brochure will address specific material changes in future versions of the Brochure and will include a summary of such changes since the last annual update. The Firm will also state the last date of its annual update of the Brochure in this section.

You may request a copy of our current Brochure at any time, which will be provided to you free of charge. If you would like to request a copy of our current Brochure, please contact the Compliance Department at the number listed on the cover page of this Brochure.

### Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes.....	2
Item 3. Table of Contents .....	3
Item 4. Advisory Business.....	4
Item 5. Fees and Compensation .....	5
Item 6. Performance-Based Fees.....	7
Item 7. Types of Clients.....	8
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9. Disciplinary Information .....	16
Item 10. Other Financial Industry Activities and Affiliations.....	17
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	18
Item 12. Brokerage Practices .....	20
Item 13. Review of Accounts .....	22
Item 14. Client Referrals and Other Compensation.....	23
Item 15. Custody .....	24
Item 16. Investment Discretion.....	25
Item 17. Voting Client Securities.....	26
Item 18. Financial Information.....	27
Other Conflicts, Risks and Mitigation.....	28

## **Item 4. Advisory Business**

### **A. The Firm and Principal Owners**

Raga Partners LP (“Raga” or the “Firm”) provides investment advisory services primarily to ultra-high net worth individuals and families, family offices (collectively, “Separately Managed Accounts”) and pooled investment vehicles (“the Funds”). The Firm was founded in 2021. The principal owner of the Firm is Raga Management. Raga Management is owned by Atul Joshi individually and through a trust that he controls.

### **B. Types of Services Offered**

We provide investment management services to clients both on a discretionary and non-discretionary basis.

For Separately Managed accounts, we offer non-discretionary investment advisory services (“Advisory Mandates”) whereby we construct diversified portfolios and recommend their implementation. These portfolios are comprised of the major asset classes (e.g., equities, fixed income products, commodities, hedge funds, private capital funds, other alternative investments, including cryptocurrency, real estate investments and cash equivalents)

We plan to form a Private Funds where we will invest primarily in equity interests of privately held companies, but may hold publicly traded securities, as well.

The actual investment strategies and processes employed by the Firm, as well as associated risks are discussed in detail in Item 8 below.

### **C. Level of Service Offered**

We provide non-discretionary investment management services to our Separately Managed Accounts and discretionary management services to the Funds we advise. Generally, we create an investment profile for the client that defines the client’s objectives and risk profile. Based upon the investment profile, we, as applicable, construct, recommend, implement and manage the portfolio based upon the client's objectives. We also monitor the portfolio and make recommendations to modify the portfolio if required. Separately Managed Account clients are permitted to impose restrictions on investing in certain securities or types of securities.

### **D. Portfolio Management Services to Wrap Fee Programs**

We do not provide portfolio management services to wrap fee programs.

### **E. Assets Under Management**

As this is a start-up business there are currently no regulatory assets under management.

## **Item 5. Fees and Compensation**

### **A. Fees and Compensation**

#### **Management Fee**

Our fees for providing investment advisory services to our Separately Managed Accounts are generally based on a fixed fee arrangement (which is a budget-based determination) along with an additional discretionary advisory fee (as determined in discussions between the Firm and the client) which is based on the level of service provided to the client along with an assessment of the performance of the client portfolio. For more details regarding the management fees charged, please refer to the particular investment management agreement.

For the Funds we intend to form, the fee will be based on a percentage of assets under management and a performance fee or allocation, which will be paid to an affiliate of the Firm. For more information regarding the fees charged to the Funds, please refer to the relevant offering documents.

#### **Method of Payment**

Fees for the Separately Managed Accounts are paid monthly in arrears. Fees for the Funds will be paid quarterly in advance and are generally paid from the account managed by the Firm.

#### **Performance Fees**

The Firm, as explained above, is permitted to charge a performance fee based on certain agreed upon performance metrics of the Funds we intend to form. In addition, as noted above, we may receive certain fees from Advisory Mandate clients, at the discretion of the client. Information regarding such fees, including the payment terms, is outlined in the investment management agreements and organization documents executed with the Funds.

#### **Other Fees and Expenses**

Fees Charged to Clients in Addition to the Fees Listed Above:

1. **Brokerage Commissions and Other Transaction and Third-Party Fees:** Unless agreed otherwise, clients will pay all brokerage commissions, custodial fees and service charges, stock transfer fees and other similar charges incurred in connection with transactions for the client's account. In addition, the client may be subject to:
  - a. Wire transfer and electronic fund fees;
  - b. Fees for odd-lot differentials;
  - c. Retirement plan fees, as applicable;
  - d. Other fees and taxes related to brokerage accounts; and
  - e. Other charges required by law.

These charges will be invoiced to the clients or paid out of the client's assets held with the custodian and are in addition to the investment advisory fee paid to us.

For investments in mutual funds and exchange traded funds, clients incur additional charges imposed by third-parties, including, but not limited to, the following:

- a. Mutual fund sales fees and sub transfer fees;
- b. Internal management fees and administrative expenses for mutual funds and exchange traded funds that are disclosed in the fund prospectus; and
- c. Mutual fund transaction fees and mutual fund short term redemption fees, if applicable.

Third Party Fund Investments: Clients invested in third party managed pooled investment vehicles ("Third Party Funds") can expect to be charged management fees and sometimes also performance fees as well as certain administrative expenses by the Third-Party Fund manager. All of these fees are in addition to the fees disclosed above. Fund management fees charged by Third Party Fund managers generally range from 0.5% to 3% annually. Depending on the terms of each Third-Party Fund, performance fees typically range from 5% to 35% of the annual net profits, subject to certain limitations. All fees and administrative expenses are disclosed in the offering documents that clients receive for each Third-Party Fund. In addition, each Third-Party Fund requires clients to meet specific qualifications in order to invest.

From time to time, key personnel at the Firm may serve on the board of directors or in a similar capacity for portfolio companies in which the Funds invest. These personnel may receive compensation in the form of board of directors' fees or other similar compensation.

In certain instances, we may act as a joint venture partner in certain third-party pooled vehicles in consideration of services we provide to the sponsors of such investments. Such ownership interests could result in our receipt of a carried interest or performance fee upon liquidity events in those entities. In addition, we could receive a portion of the investment management fee charged by the sponsors of those entities. Such fees earned would be in addition to the management fee earned by us pursuant to our investment management agreement with our clients. When such situations arise, clients of the Firm will receive clear disclosure of the fees we may receive along with full disclosure of any conflicts that may arise. The Firm has developed policies and procedures to identify and mitigate such conflicts.

**The selection of investments on behalf of our clients is made in the best interests of our clients, irrespective of any additional compensation we may receive.**

## **B. Prepayment of Fees**

For the Funds we will advise, we expect to collect management fees quarterly in advance.

## **C. Other Compensation**

We and our supervised persons do not accept any compensation for the sale of securities or other investment products.

## **Item 6. Performance-Based Fees**

As discussed above, an affiliate may earn performance fees based on agreed upon performance metrics of the Funds we advise, or we may receive performance-based fees for Advisory Mandates to whom we provide investment management services.

### Conflicts

The fact that the Firm or a related party is compensated based on the performance of certain Firm investments creates an apparent incentive for the Firm to make or recommend investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation or favor accounts for which such compensation may be paid. For further information, please refer to Item 10 below.

### Conflict Mitigation

1. Raga Partners discloses to all clients the potential conflicts described above.
2. Raga Partners' portfolio managers are mindful of the investment objectives of client accounts and will monitor compliance with investment and risk management guidelines implemented by the Firm.
3. Raga Partners has adopted policies and procedures that require employees to act in the best interests of clients at all times.

## **Item 7. Types of Clients**

We provide investment advisory services to ultra-high net worth and high net worth individuals and families, family offices as well as the Funds. Our normal minimum client net worth for Separately Managed Accounts is \$500mm. At our discretion, the minimum net worth requirement may be waived.



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

### **A. Methods of Analysis and Investment Strategies**

Our investment strategies and decisions are rooted in the principle of risk and return. We seek investments which present an attractive return for a given level of risk. Our portfolios typically include capital preservation as well as capital growth strategies.

Prior to constructing a portfolio, we meet with the client in order to assess their:

- Risk/return appetite
- Investment horizon
- Level of sophistication regarding financial products
- Tolerance of potential investment drawdowns
- Tax status
- Personal situation including concentrated or restricted holdings, estate and next generation planning, lifestyle needs and charitable interests.

For discretionary accounts, based on this knowledge, we decide with the client on a customized investment plan that reflects their needs and wishes but is also disciplined and formalized. This plan is written up as a customized Investment Policy Statement ("IPS"). The IPS also considers the allocation of a client's assets, if any, which are not placed under Raga's management.

An IPS will typically include a recommended asset allocation. Once determined, Raga will begin to implement the plan by investing in selected managers and other vehicles. Often, the principals of Raga will have already invested personally with recommended managers. Before selecting particular investments, we undertake a due diligence process which varies based on manager, investment type and size and has both quantitative and qualitative elements. Depending on the type of security or product, the factors analyzed could include the following:

1. Quantitative factors
  - A. Past performance, both absolute and relative
  - B. Fees
  - C. Tenure of managers
2. Qualitative and operational factors
  1. Interviews with managers or executives
  2. Investment selection
  3. Adherence to strategy
  4. Due diligence reports and other relevant information

On an ongoing basis, we monitor the components of a client's portfolio to ensure that it is following the IPS and performing as anticipated. We dynamically manage each portfolio by considering any relevant macro and micro data that we believe may impact the performance or risk profile. Depending on our review of new data and the overall market environment, we may adjust the portfolio as appropriate.

Clients have real-time electronic access to view the publicly traded components of their portfolios. In addition, we keep them informed of the portfolio's performance and risk, as well as any changes made to its composition, on a regular basis.

## **B. Material Risks Associated with Investment Strategies**

Investing in securities involves risk of loss that clients should be prepared to bear.

There is no assurance that we will be able to achieve our client's investment objectives. This depends, to a great extent, upon our ability to correctly assess the investment capabilities of the managers we select and their ability to predict the future course of price movements of securities. Such movements will be affected by general economic conditions that impact the level and volatility of asset prices, as well as the liquidity of the markets.

The success of our process is significantly dependent upon the expertise of our Managing Partner. The loss of his services could result in our inability to monitor our client portfolios effectively. The loss of our Managing Partner would make us less efficient and there can be no assurance that the Firm would be able to carry on the business of the Firm on an uninterrupted basis.

## **C. Material Risks Associated with Certain Securities.**

### **Risks in General**

All investments in securities have certain risks, including the following:

- Market risk – The price of a security may drop in reaction to tangible and/or intangible events and conditions. This type of risk is caused by external factors independent of the security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- Credit risk - Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken, and/or such issuer will fail to make timely payments of principal or interest, resulting in the security going into default.
- Liquidity risk – Liquidity is the relative ability to convert a security into cash. Certain investments in clients' portfolios may be inherently less liquid than others.
- Volatility risk - A measure of the uncertainty or risk in the future price of an asset. Typically, volatility is measured by the standard deviation or variance of returns on the asset.
- Inflation risk – The risk that the rate of inflation (the decline in the purchasing power of a dollar) will exceed the rate of return on investment.

- Event risk: This risk is very difficult to predict because it may involve a wide range of different situations, such as natural disasters (for example, earthquakes or hurricanes), political or social unrest, regulatory changes, etc.
- Business risk – This is a risk associated with a particular industry or a particular company within an industry.
- Financial risk – Excessive borrowing to finance a business's operations may impact the profitability of a company because its obligations to meet its debt payments are irrespective of the success of the business at any specific point in time.
- Fraud risk - Beyond normal financial risks listed above, any investment can be affected by a risk of fraud.
- Currency risk – Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Also referred to as exchange rate risk.
- Foreign investment risk - Investments in securities issued by entities outside of the United States may be subject to the risks described above to a greater extent. Foreign investments may also be affected by currency controls; different accounting, auditing, financial reporting and disclosure, as well as regulatory and legal standards and practices; expropriation; changes in tax policy; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or receiving payment of dividends. These risks may be heightened in emerging countries.

**Specific Risks Associated with Particular Securities are Outlined Below:**

1. **Mutual Funds or Investment Strategies Managed by Third Parties:** We invest client funds in mutual funds, some of which are highly specialized. Below are some general risks associated with mutual funds:
  - a. Manager risk is the risk that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the mutual fund to underperform relevant benchmarks or other funds with a similar investment objective.
  - b. Non-diversification risk is the risk that a fund's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. Certain funds may be non-diversified, which means that they may invest a greater percentage of their assets in the securities of a small number of issuers as compared with other mutual funds.

For a description of the risks associated with particular mutual funds, it is important to read the individual prospectuses related to those funds.

2. **Third Party Fund Investments:** We could recommend Third Party Funds to our clients, such as hedge funds or private capital funds. Such investments contain certain risks in addition to those named above in reference to mutual funds. They are outlined

as follows:

- a. Liquidity: Partnership and LLC member interests are not easily transferable, even on the secondary market, and are subject to redemption limitations.
- b. Transparency: Advisers to Third Party Funds may not provide detailed information on their portfolio positions, and, therefore, clients may not be able to objectively assess the risk of the underlying fund investments.
- c. Reliance on Key Personnel: Most fund advisors have a small number of key people who make the important investment decisions. Should any of those persons end their association with the fund, the ability to achieve good performance may be impaired.
- d. Similar Funds: Investment managers often advise other similar funds and depending on the fee structures for those funds, may allocate certain limited investment opportunities to higher fee funds.
- e. Valuation: Certain funds own hard to value assets. Investment managers generally have discretion to value those assets and have an incentive to assign a higher value to those assets as their fees are tied to such valuations. We often mitigate this conflict by usually requiring that Third Party Funds we select for our clients be independently audited.
- f. Leverage: Certain funds use leverage (borrow funds from banks and brokers) to increase their securities holdings. The use of leverage will magnify both gains and losses.

More specific risks associated with a Fund are often outlined in the fund's offering memorandum.

### **3. Funds (Managed by the Firm or its affiliates):**

The following is a summary of certain potential material risks associated with Raga's Fund strategies. As a summary, it is inherently incomplete and does not attempt to describe all the risks associated with those strategies. More information regarding the risks associated with these investments are available in the offering documents for the Funds. Investing in securities involves a risk of loss that Investors should be prepared to bear.

#### **a. Lack of Diversification**

It is the intention of Raga to advise Funds which could hold only a few investments. As such, the investment strategy may not be diversified among sectors, industries, geographic areas or types of securities. In addition, the Funds may not be diversified among a wide range of issuers. Accordingly, the Funds may be subject to more rapid change in value than would be the case if they were required to maintain a wide diversification among companies or industry groups.

#### **b. Dependence on Key Personnel**

The success of the Funds depends in substantial part on the skill and expertise of the investment professionals of Raga. There can be no assurance that the investment professionals will continue to be employed by Raga throughout the life of the Funds. The loss of key personnel could have a material adverse effect on an investment vehicle.

c. Lack of Liquidity

Due to the nature of investments made by the Funds there may not be a readily available liquidity mechanism at any particular time. As such, Investors should be aware that there may be limited opportunities for redemption during the term of the investment.

**4. Exchange Traded Funds ("ETFs"):**

ETFs are typically registered investment companies whose shares represent an interest in a portfolio of securities that track an underlying benchmark or index. (Some ETFs that invest in commodities, currencies, or commodity or currency-based instruments are not registered as investment companies.) Unlike traditional mutual funds, shares of ETFs typically trade throughout the day on a securities exchange at prices established by the market. While investing in ETFs may create similar risks to those of mutual funds (because ETF shares are traded on an exchange), they are also subject to additional risks that include the following:

- a. Valuation Risk. ETFs are listed for trading on exchanges and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value ("NAV"), there may be times when the market price and the NAV vary significantly. Thus, you may pay more or less than NAV when you buy an ETF share, and you may receive more or less than NAV when you sell those shares.
- b. Liquidity Risk. Although ETF shares are listed for trading on exchanges, it is possible that they may not maintain an active trading market. In addition, trading of ETF shares on an exchange may be halted by the activation of individual or market-wide "circuit breakers" (that halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of ETF shares may also be halted if: (1) the shares are delisted from the exchange where they are trading without first being listed on another exchange; or (2) exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

**5. Fixed Income Products:**

We invest a significant amount of client assets in fixed income products. Below are certain risks associated with fixed income products that are not disclosed above:

- a. Interest rate risk – Fluctuations in interest rates can cause fixed income asset prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market value to decrease.

- b. **Downgrade Risk:** The financial soundness of an issuer (borrower) is often measured by a credit rating agency such as Standard & Poor's, Moody's or Fitch. The rating agencies attempt to measure the ability of an issuer to make the interest and principal payments on their debt. Typically, the higher the issuer's credit rating the lower the expected investment return will be. A downgrade of a particular issuer's credit rating may result in a decrease in value of its existing bonds.
  - c. **Credit Risk:** This is the risk of loss for a bondholder as a result of a default of the issuer. A default occurs when an issuer fails to make an interest and/or principal payment on their debt.
  - d. **Duration Risk:** Duration is a way to measure a bond's price sensitivity to changes in interest rates. The duration of a bond is determined by its maturity date, coupon rate, and call feature. Duration is a way to compare how different bonds will react to interest rate changes.
  - e. **Liquidity Risk:** Liquidity risk is the risk that there may be limited buyers for a security when an investor wants to sell. Typically, this results in a discounted sale price in order to attract a buyer. Bonds that are lower quality or have restrictions generally have higher liquidity risk.
6. **Private Equity Investments:** The Firm may invest in real estate or other private capital assets through partnerships and LLCs. Aside from the fact that partnership and LLC member interests are not easily transferable, even on the secondary market, and could be subject to redemption limitations, the underlying investment will generally be inherently illiquid. The liquidity needs of the client may occur at a time when the market is in a downward cycle and disposition of the investment to meet the client's need for liquidity would be unavailable or inopportune.
7. **Cryptocurrency:** often referred to as "virtual currency," "digital currency," or "digital assets," operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Clients may have exposure to cryptocurrency, indirectly through a direct holding, privately offered, open-end investment vehicles or other alternative asset classes. Cryptocurrency operates without central authority or banks and is not backed by any government. It is expected that the Firm will recommend Bitcoin investments through a trust platform managed by an unaffiliated firm with significant experience in the area.

Even indirectly, cryptocurrencies may experience very high volatility and investment vehicles holding such assets may be affected by such volatility. As a result of holding cryptocurrency, certain products may also trade at a significant premium to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities. Cryptocurrency exchanges may stop

operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to its relatively recent launch, cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments in this cryptocurrency. It is possible that another entity could manipulate the blockchain in a manner that is detrimental to the cryptocurrency network. Cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies. Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies.

## **Item 9.Disciplinary Information**

We have no legal or disciplinary events.



## **Item 10. Other Financial Industry Activities and Affiliations**

Neither we nor our management persons are registered or have applications pending to register as a broker-dealer or registered representatives of a broker-dealer.

Neither we nor our management persons are registered or have applications pending to register as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of these entities.

As noted above, subject to a suitability determination, we may recommend that clients invest in the Funds we will advise. Recommendations to invest in those vehicles present an apparent conflict as the Firm stands to earn compensation when an investment in an unrelated vehicle may be more suitable. Determination as to the suitability of such recommendations are made without regard to the compensation the Firm may earn.

As stated above, , we may act as a joint venture partner in certain third-party pooled vehicles in consideration of services we provide to the sponsors of such investments. Such ownership interests could result in our receipt of a carried interest or performance fee upon liquidity events in those entities. In addition, we could receive a portion of the investment management fee charged by the sponsors of those entities. Such fees earned would be in addition to the management fee earned by us pursuant to our investment management agreement with our clients. The selection of investments on behalf of our clients is made in the best interests of our clients, irrespective of any additional compensation we may receive. Please refer to Item 5 for our disclosure responsibilities.

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

### **A. Summary of Code of Ethics**

We maintain a Code of Ethics (the "Code") that describes our fiduciary duty to our clients and sets standards for business conduct. The following is a summary of the key provisions of the Code:

**Scope** - The Code covers all directors, officers, partners, employees, and any other persons who are under our supervision and control.

**Fiduciary Duties** - The Code is based on the principle that we and our employees owe a fiduciary duty to our clients. Accordingly, we and our employees must avoid activities, interests, and relationships that might interfere or appear to interfere with making decisions in the best interests of our clients.

**Personal Securities Trading** - All employees are subject to certain trading restrictions. In addition, all employees must report their personal securities transactions quarterly and personal securities holdings annually.

**Code of Conduct** - The Code contains specific topics designed to reflect our commitment to ethical conduct. These topics include compliance with legal and regulatory requirements, gifts, outside activities, entertainment and board directorships. We also maintain separate Insider Trading Policies and Procedures.

**Code Violations** - The Code requires that all employees report any actual or apparent violation of the Code and provides for a prohibition on retaliation against any person who reports such violations. Appropriate sanctions are included for Code violations.

You can receive a copy of our Code by contacting our Compliance Department at (646) 580-4086

### **B. Transactions with Related Parties**

As discussed above, the Firm may form Funds in which the Firm or its affiliate will act as managing member, joint venture partner or in a similar capacity. As the Firm has a financial interest in such arrangements and clients of the Firm may be solicited to invest in such vehicles, the Firm discloses all such conflicts. For more information, please refer to Item 10. above.

### **C. Investing in the Same Securities as Clients**

We permit our employees to trade in the same securities as those held by clients. Potential conflicts arise when employees buy or sell the same securities we buy or sell for clients. For instance, if employees have knowledge of pending client trades that could impact the market price of a security, they could time their transactions so as to receive a better price than that of the clients. Our policy is, except for open-end mutual funds, to closely monitor employee personal trading, including the requirement that such trades require preclearance to ensure that such employees do not profit at the expense of clients.

Generally, the Firm requires that employees obtain pre-clearance before directly or indirectly acquiring a beneficial ownership in private placements and Initial Public Offerings. Aside from trades in their status as our clients, employees are not permitted to participate in aggregated trades with client accounts.

For additional information on aggregation of trades see Item 12(B).

**D. Employees Trading in the Same Securities as Clients at the Same Time**

See 11(C) above and the section on Aggregation in Item 12 below.

## **Item 12. Brokerage Practices**

### **Factors in Broker Selection**

For Separate Account Clients, brokerage transactions are generally executed through a broker/custodian selected by the Client. This practice is known as “Client Directed Brokerage.” Clients could pay more for trade execution than they would if they did not direct brokerage arrangements because of the Firm’s inability to negotiate commission rates and evaluate the execution quality of such brokers.

Also, the fact that the Firm may not be able to aggregate orders for Client Directed Brokerage accounts could result in less favorable execution and/or commissions for such accounts.

For the Funds the Firm may advise, investments will be primarily in privately held companies. However, in those limited situations where investments by the Funds will be in publicly traded companies, such investments will be subject to the principles of best execution, Raga generally selects such broker-dealers based upon factors that include the quality of execution, expertise in particular markets, the broker-dealer’s reputation, experience and financial stability, commission rates, the accuracy of reporting, and other factors that are deemed relevant by Raga. Certain broker-dealers may offer other products or services to Raga, which gives Raga an apparent incentive to use certain broker-dealers. Raga is, however, committed to obtaining best execution in all trading activities.

Raga does not expect to use soft dollars.

### **Aggregating the Purchase and Sale of Securities for Client Accounts and Limited Investment Opportunities**

Where practicable, we will aggregate orders for the sale and purchase of equity securities and fixed income securities for our clients if we believe we can obtain a better execution price. For aggregated trades that are fully executed, each client will receive the number of shares originally intended for his or her account. In the event trades are partially executed, clients will receive a pro-rated allocation. An aggregated order for the remaining shares will be entered on the next trading day. For aggregated orders that are executed in more than one transaction, the client’s portion of such order is the average of the prices at which all of such transactions were executed for each day. The average price may be greater or less than the price the client would receive if the trade were made separately for such client. All transaction costs for aggregated orders will be shared on a pro-rata basis based on each client’s participation in the transaction.

We may enter into investment management agreements with employees of the Firm. In such cases, we will permit those accounts to be included in aggregated orders. We prohibit favoring any account, including employee managed accounts, over any other account. We maintain a record of the aggregated order that includes each participating account and its allocation that we complete prior to entering the aggregated order. Orders are allocated consistent with our initial allocation.

From time to time, certain investment opportunities are limited in nature so that there is insufficient availability for all clients for whom the investment may be suitable. Because differing factors affect the desirability and timing of particular investments for us and our clients, certain investment opportunities could be made for or recommended to certain clients and not others. Our decision, made at our sole discretion, to recommend or to invest in any investment opportunity, is made with the commitment to act in a fair and equitable manner on behalf of all our clients.

As we do not recommend broker-dealers to Clients of the Firm, we do not receive client referrals from broker dealers selected by our clients.

## **Item 13. Review of Accounts**

### **A. Periodic Review of Client Accounts**

Generally, Separately Managed Account client reviews occur quarterly, but in certain circumstances may be more or less frequent. Funds the Firm will advise will be reviewed in a similar manner.

All new accounts are reviewed by key Firm personnel, who are responsible for implementing the appropriate portfolio strategy.

### **B. Review of Client Accounts on Other than Periodic Basis**

Factors that may cause our personnel to review a client's account more frequently include:

- Volatile market periods;
- Changes in client objectives; and
- Client request.

### **C. Content and Frequency of Client Reports**

Clients receive monthly or quarterly custodial statements for the publicly traded component of their portfolios and statements from the administrators of the privately held funds in their portfolios. The Firm conducts regular meetings with clients to discuss their investment program.

## **Item 14. Client Referrals and Other Compensation**

### **Economic Benefits from Third Parties**

- A. Other than our disclosure in Items 5 and 10 above regarding joint venture arrangements for certain investments, we do not receive any other economic benefit from a third party for providing investment advisory services.
- B. We do not currently have arrangements with third parties where we pay third parties a percentage of the management fee for soliciting clients.

## **Item 15. Custody**

We currently do not maintain physical custody of any client assets.

As appropriate, when we form and advise Funds, we are deemed to have custody and will obtain financial audits of the vehicles in compliance with the Custody Rule.

All our Separately Managed Clients receive monthly or quarterly account statements directly from their custodian. We urge clients to read these statements carefully.



## **Item 16. Investment Discretion**

The Firm buys and sells securities and other instruments for the Funds on a discretionary basis in a manner consistent with the Fund's investment objectives, guidelines and restrictions as set forth in the Fund offering documents.

The Firm is authorized to make the following determinations in accordance with the objectives, guidelines, and restrictions without obtaining prior consent from the Fund or its investors:

- (i) which securities or other investment instruments to buy or sell;
- (ii) the total amount of securities or other investment instruments to buy or sell;
- (iii) the executing broker for any transaction; and
- (iv) commission rates or commission equivalents charged for transactions.

Fund investors generally do not have the authority to limit the Firm's discretionary authority.

## **Item 17. Voting Client Securities**

### **A. Proxy Voting Authority**

Unless otherwise specifically agreed, we will generally not vote proxies, nor render any advice with respect to the voting of proxies in connection with our Separately Managed Accounts. The language in the Firm's investment management agreements reflects this policy.

As noted above, the Firm may form Funds which invest in securities for which proxy votes or corporate actions may be required. The Firm will vote proxies for those investments.

The CCO has overall responsibility for ensuring that voting in an impartial manner and in the best interests of the Firm's clients.

Should a vote be deemed to present a material conflict of interest, such as a conflict between the interests of the client on the one hand and those of the Firm on the other hand, then the matter is subject to resolution by notifying clients and receiving their consent prior to voting.

The Firm is required, upon written request, to provide clients proxy voting policies and procedures, as well as the results of Firm voting.

### **B. Client Voting of Proxies**

Other than the voting policy referenced above, our clients will receive proxies or other solicitations directly from their custodian or transfer agent for individual securities we purchase on their behalf. The managers of Third-Party Funds in which clients invest vote proxies for investments made by those Third-Party Funds.

**Item 18. Financial Information****A. Solicitation or prepayment of more than \$1,200 in fees**

We do not require, nor do we solicit, prepayment of more than \$1,200.00 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year.

**B. Financial Condition Disclosure**

Although we do have discretionary authority over certain client accounts, we do not have any financial condition to disclose that is likely to impair our ability to meet our contractual commitments to clients.

**C. Other Financial Disclosures**

We have never been the subject of a bankruptcy petition.

## Other Conflicts, Risks and Mitigation

### Valuation

We have a duty to ensure that client portfolios are valued properly.

There is a conflict of interest for us because the compensation we earn on advisory accounts is based, depending on the fee arrangement, the performance of assets held in the client's portfolio, so if we were to assign a higher value to client portfolios, the fees we collect would be higher. We address this conflict as follows:

1. For securities with a readily verifiable market price, we rely on pricing provided by third party custodians. Our Chief Compliance Officer ("CCO") reviews and approves the pricing policies of the custodians.
2. For other securities, we have procedures in place to appropriately value certain securities subject to fair value pricing.

### Trade Errors

The Firm has developed trade error procedures whereby clients are reimbursed for all losses attributed to trade errors. All gains resulting from trade errors will remain in client accounts.