

**A E Q U I T A S**  
**F A R E A S T**



# INDEX

- Meaning of Aequitas
- Who are we?
- Why choose Aequitas?
- Our Approach
- How Far East fits into our investment philosophy?
- Product Information
- Directors' Profile & Key Personnel
- Investment Features & Fee Structure
- Best in class partners
- Disclosures

# THE WORD **EQUITY**”

ORIGINATES FROM THE  
LATIN WORD AEQUITAS

## **AEQUITAS**

Aequitas is the Roman goddess of equity and fairness, often depicted holding a pair of scales. At times, she is shown also holding a cornucopia, which symbolises abundance and wealth. At Aequitas, we strive to conduct ourselves in a fair and equitable manner.

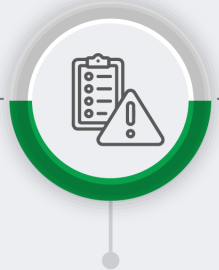




# WHO ARE WE ?



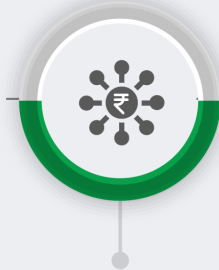
A boutique investment firm specialising in public equities



Firm AUM of ~USD 650 mn (significantly outperforming markets since inception)



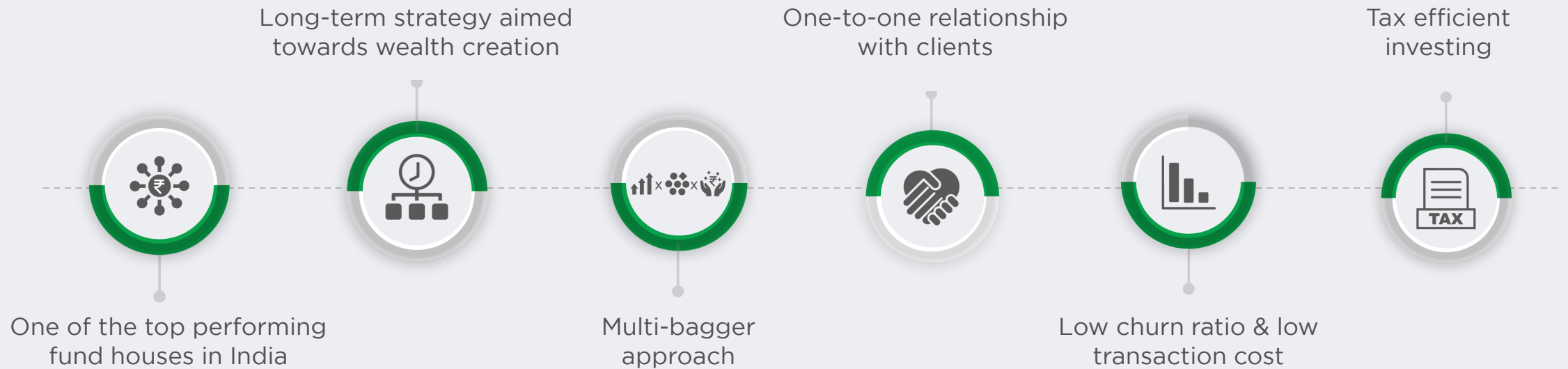
We work with UHNIs, select family offices and institutions



Our Products:  
**Domestic:** PMS, AIF  
**International:** India, Far East

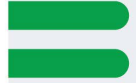


# WHY CHOOSE AEQUITAS ?



**Consolidated AUM: ~\$630 mn | ~33% CAGR = 28x Absolute Returns (in 11+ yrs)\* | 450+ Firm Clients Worldwide**

\*Performance numbers mentioned are for the PMS offering



# MULTIBAGGER APPROACH



## VALUE

The valuation has to be reasonable. This is important because there has to be potential for re-rating. A combination of EPS growth and PE re-rating leads to multibagger returns.



## CONTRARIAN

Contrarian approach does not mean doing the opposite of others, rather, it means doing things differently. Buying in popular names will not provide multibagger returns.

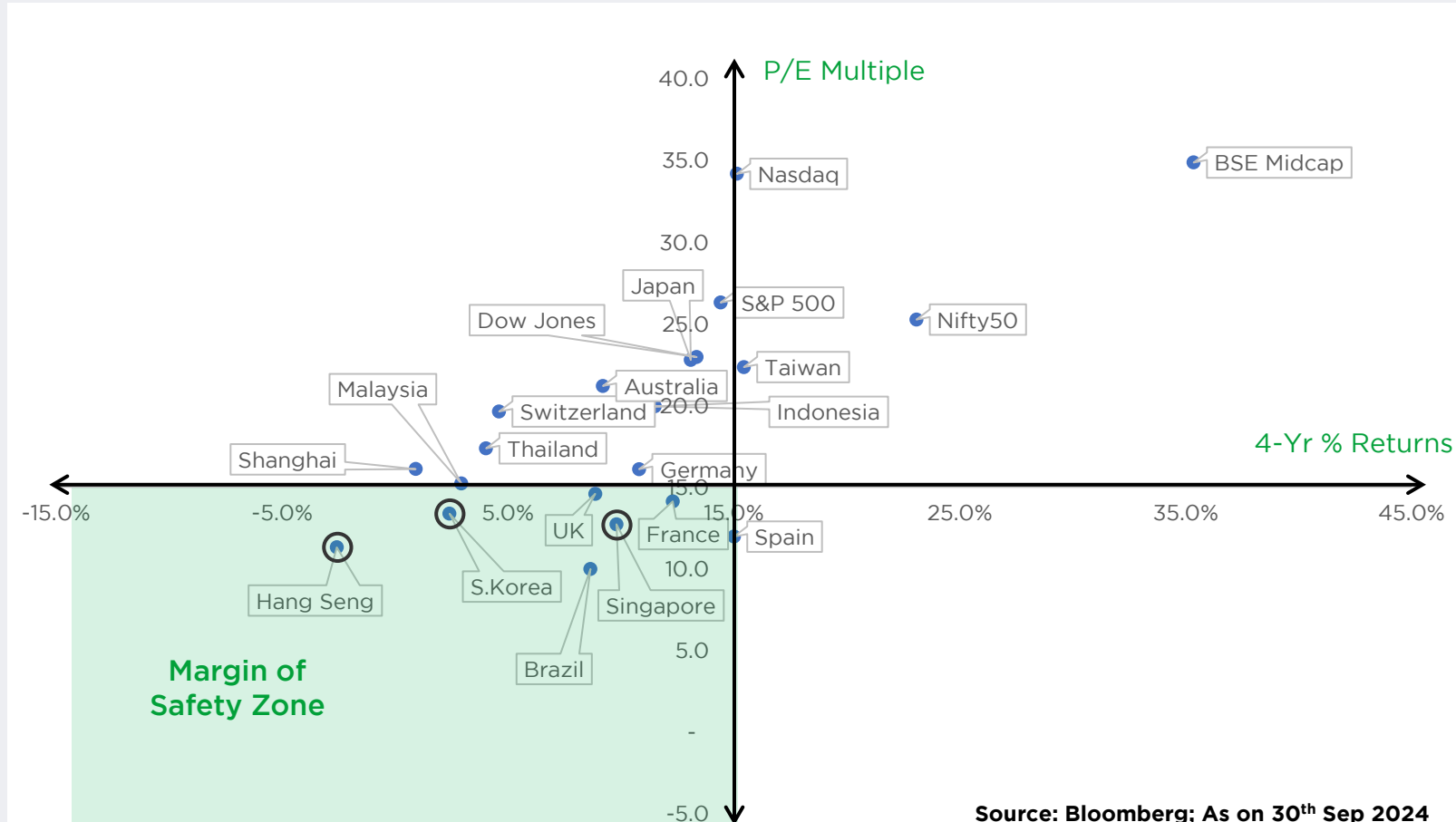


## GROWTH

The company has to be a growth company with above-average growth potential for the next 3-5 years. Markets reward a higher PE multiple for growth companies.

# HOW THE FAR EAST FITS INTO OUR INVESTMENT PHILOSOPHY

## THE QUADRANT OF OPPORTUNITY



- Prolonged underperformance combined with depressed headline valuations means Far East markets provide a favorable risk-reward scenario



## CHINA: THE LOST 25 YEARS



Source: Bloomberg; As on 29<sup>th</sup> February 2024

- The Hang Seng Index close to 25-yr lows with negative returns for a 3<sup>rd</sup> straight year.
- Hang Seng Index approaches levels last seen during the Hong Kong Handover to PRC in 1997

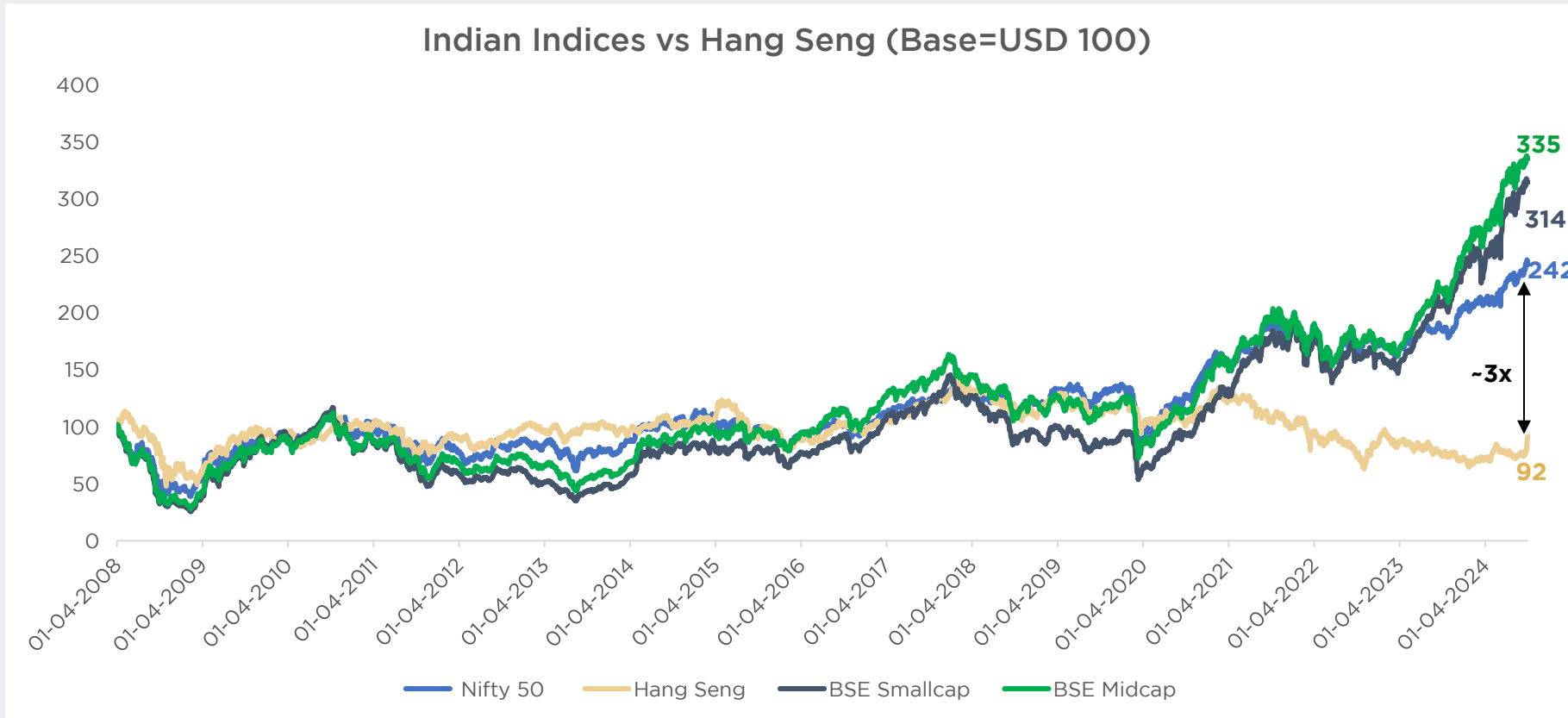
## CHINA: THE LOST 25 YEARS



Source: Bloomberg; As on 30<sup>th</sup> September 2024

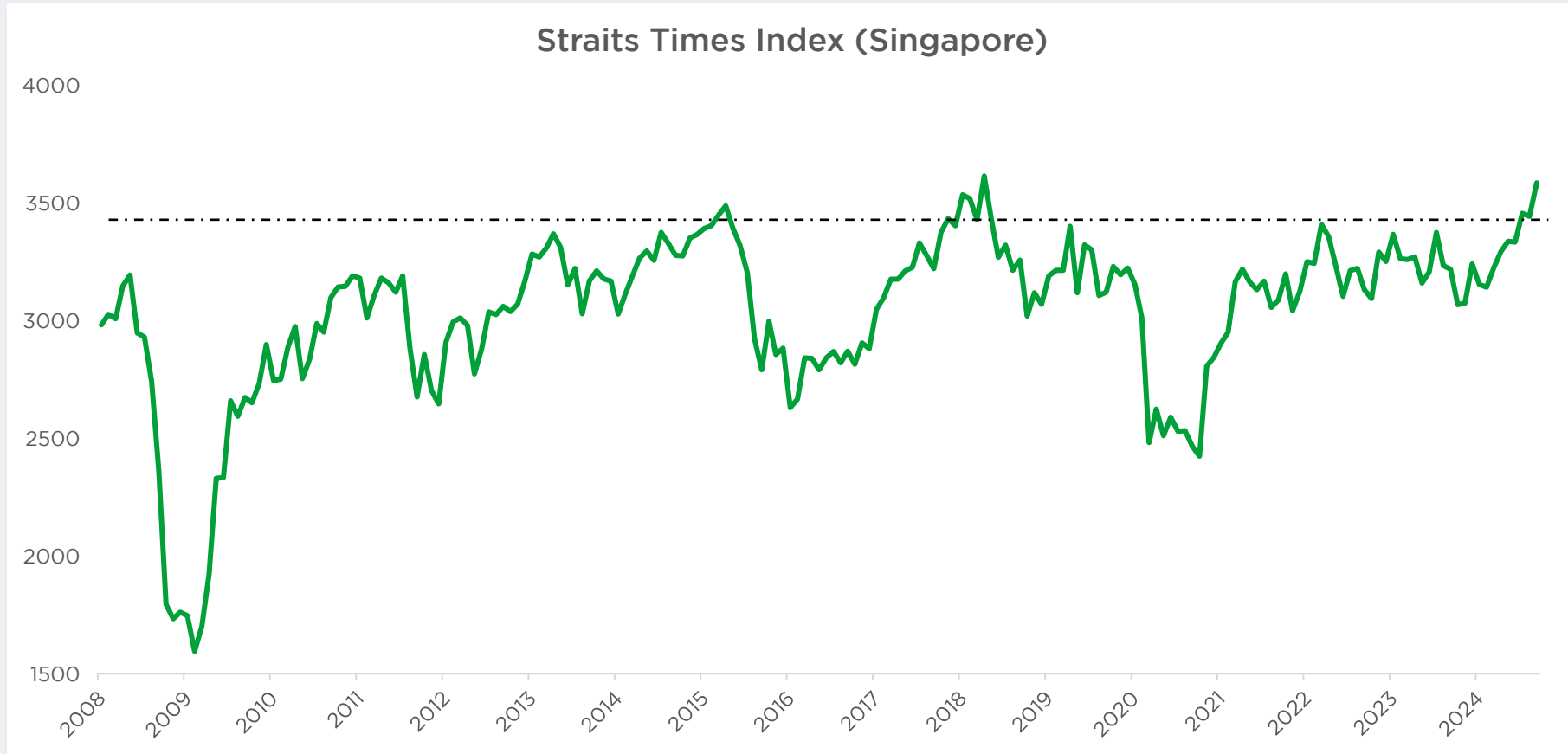
- The Hang Seng Index had close to 25-yr lows with negative returns for a 3<sup>rd</sup> straight year, with things turning positive this year

# DIVERGING JOURNEYS: INDIAN INDICES VS HANG SENG



Source: Bloomberg; As on 30<sup>th</sup> Sep 2024

## SINGAPORE: THE LOST 15 YEARS

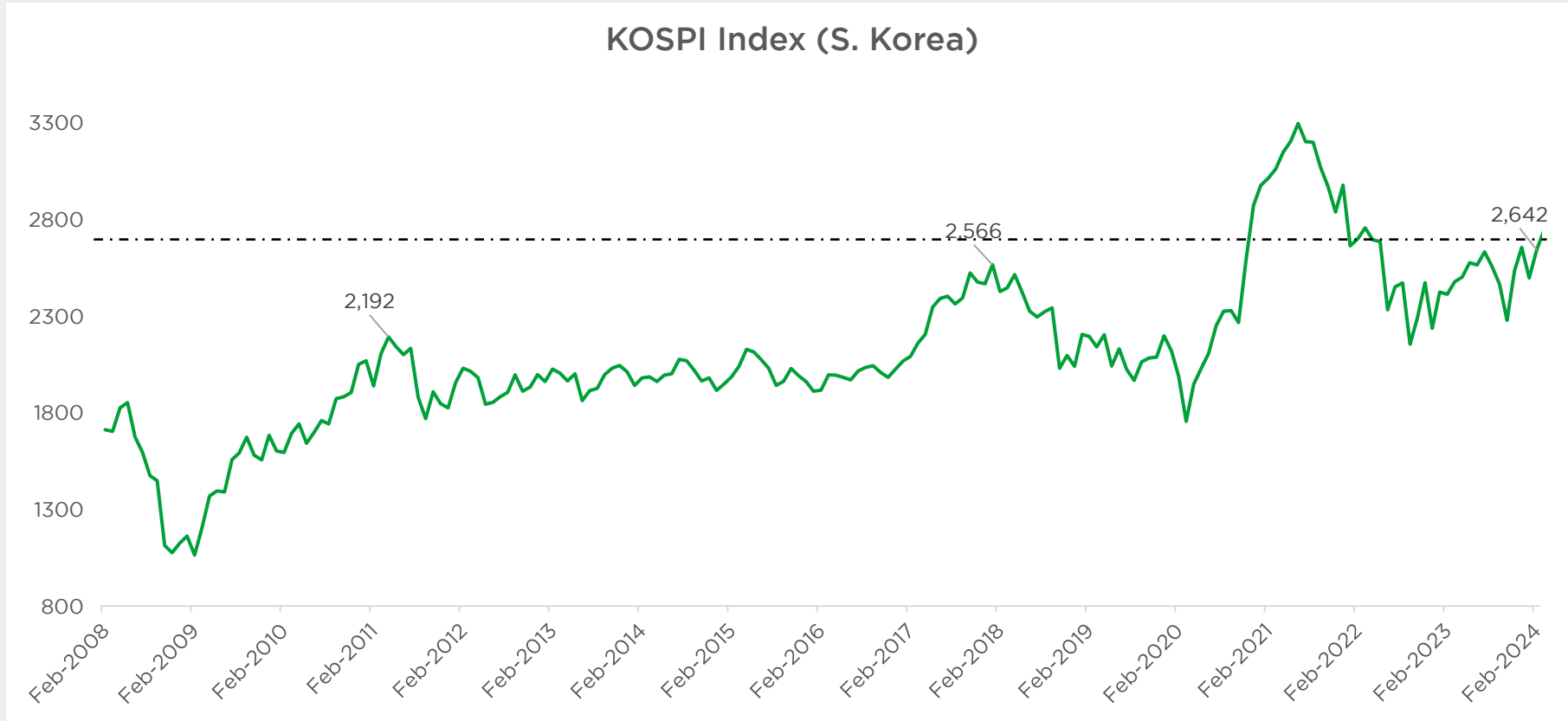


Source: Bloomberg; As on 30<sup>th</sup> Sep 2024

- The Straits Times Index (Singapore) has just become +ve in absolute terms over the last 15 years



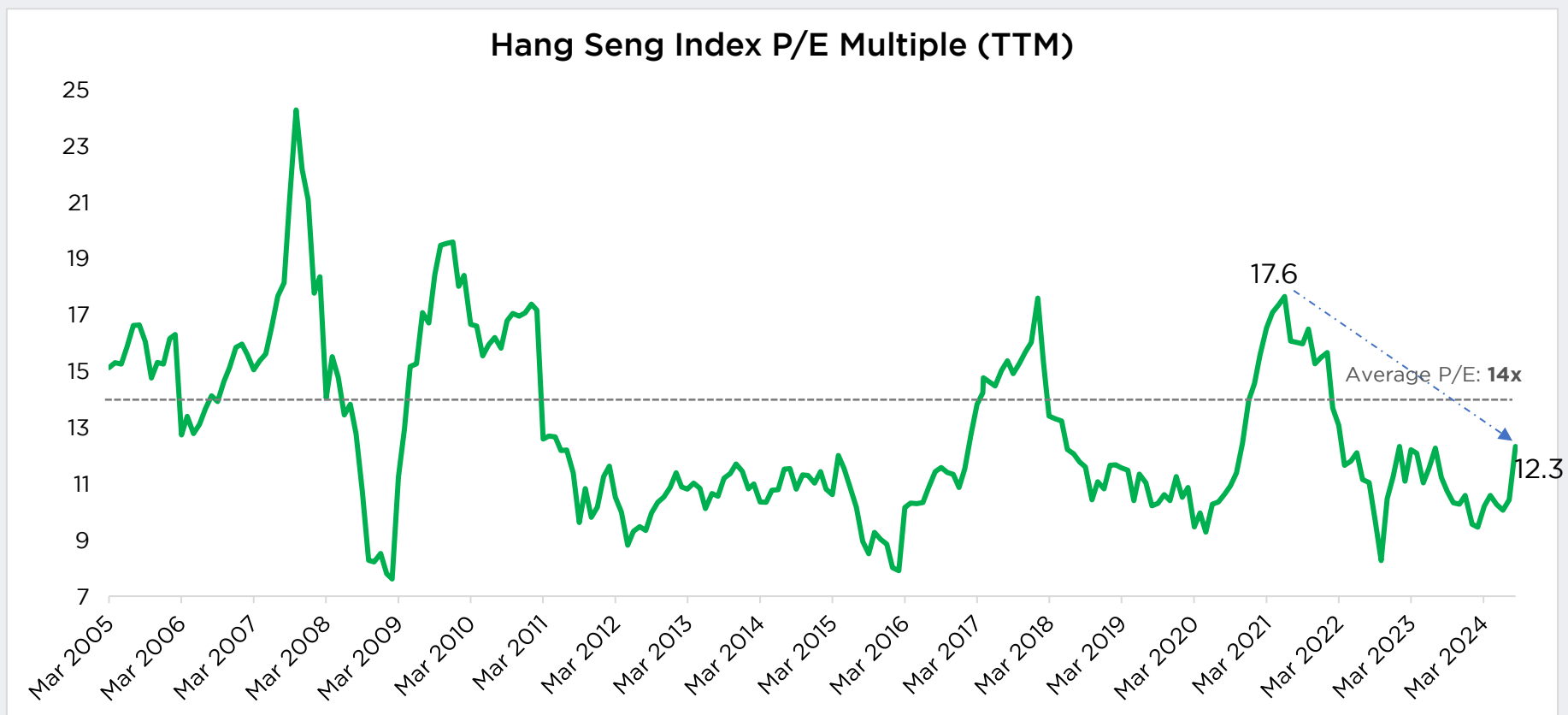
# KOREA: SIGNIFICANT UNDERPERFORMANCE



Source: Bloomberg; As on 30<sup>th</sup> Sep 2024

- The KOSPI (Korea) Index has gained 44% in absolute terms over the last ~15 years

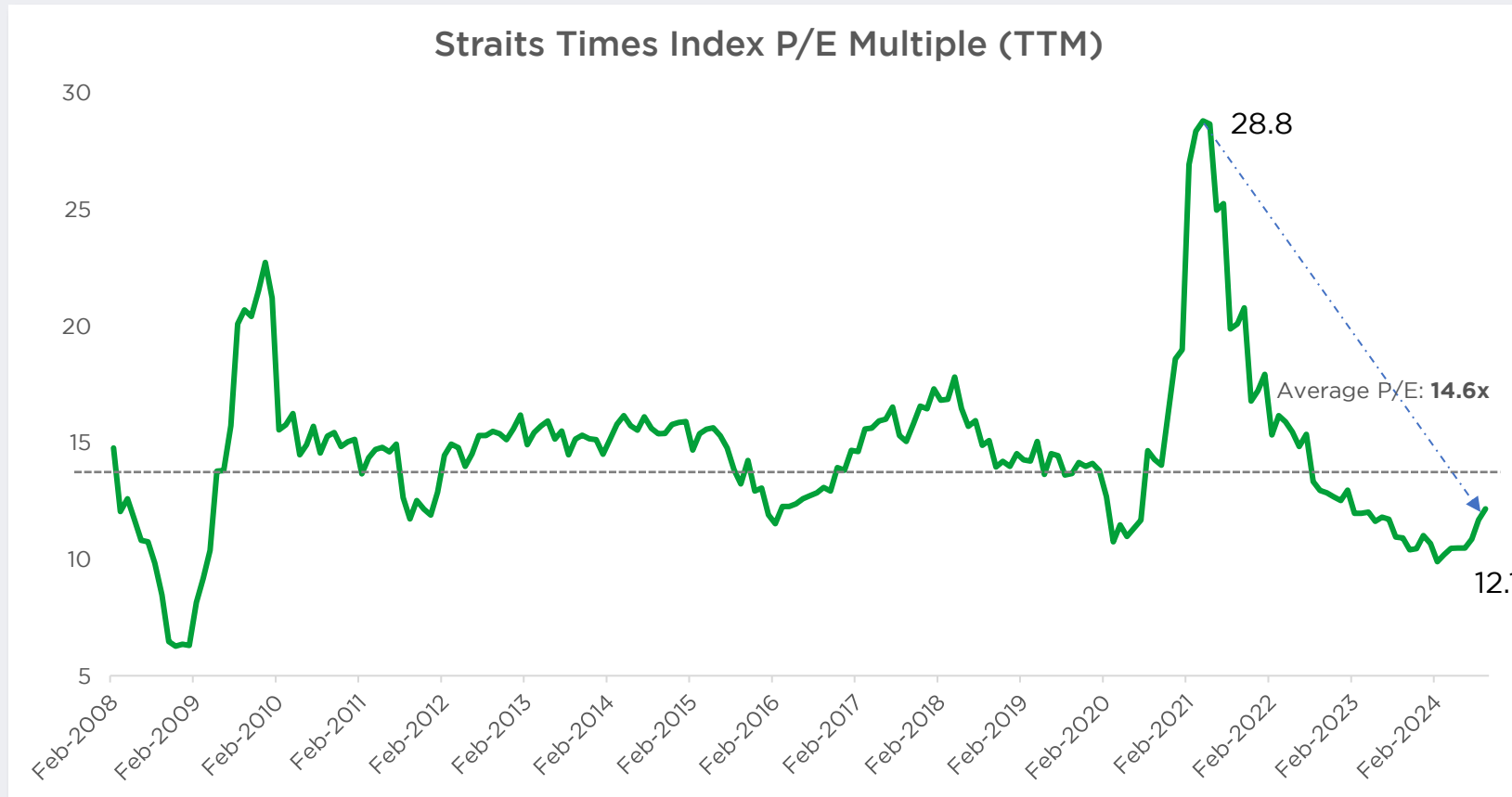
## CHINA: HANG SENG INDEX IN 'DEEP-VALUE' TERRITORY



Source: Bloomberg; As on 30<sup>th</sup> Sep 2024

- Headline P/E multiple for the Hang Seng Index almost halved to ~12x from its 2022 peak of ~18x

## SINGAPORE: P/E MULTIPLES AT 15-YEAR LOWS

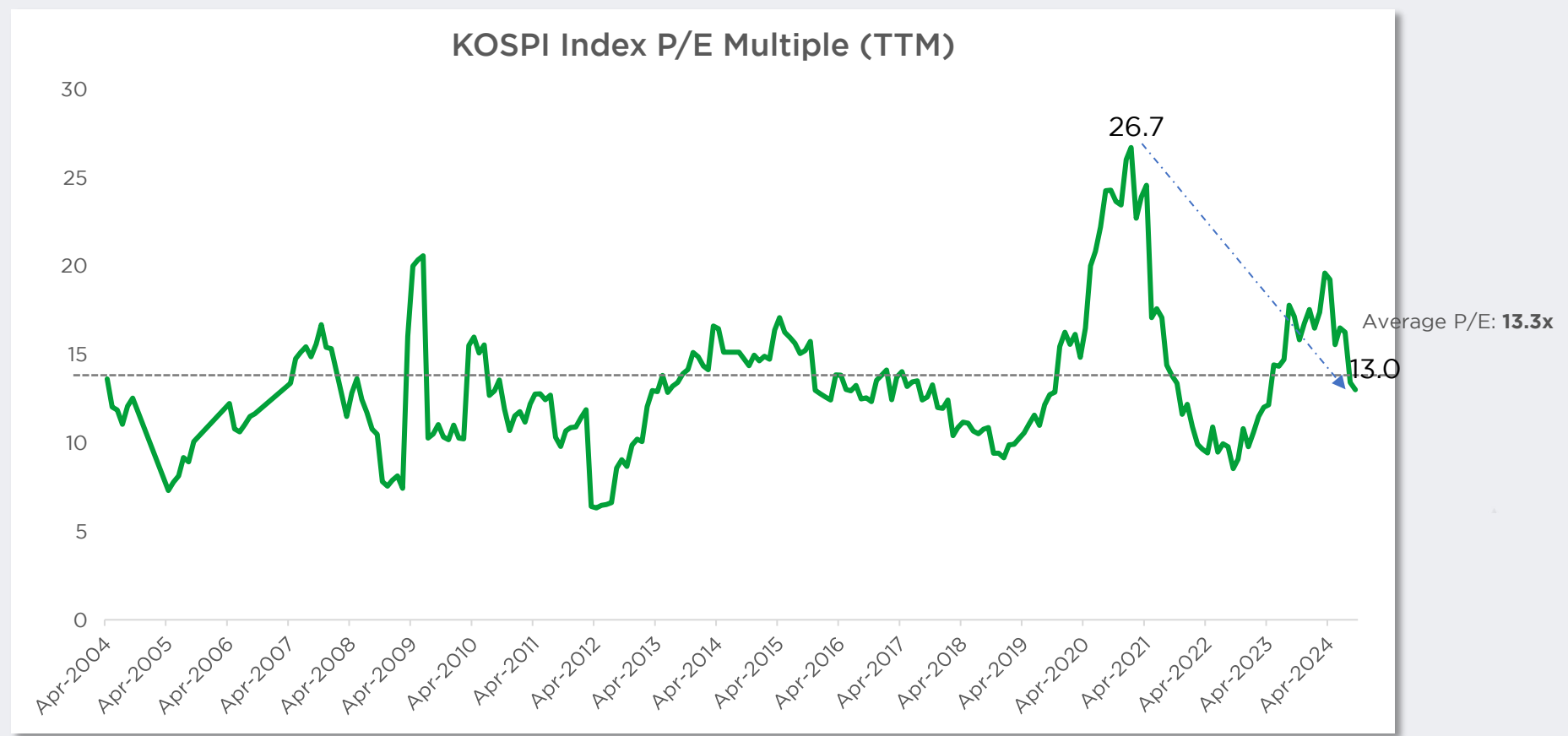


Source: Bloomberg; As on 30<sup>th</sup> September 2024

- Headline P/E multiple for the Straits Times Index (Singapore) have dropped significantly from 2021 peak levels



# KOREA : SHARP DECLINE IN VALUATIONS



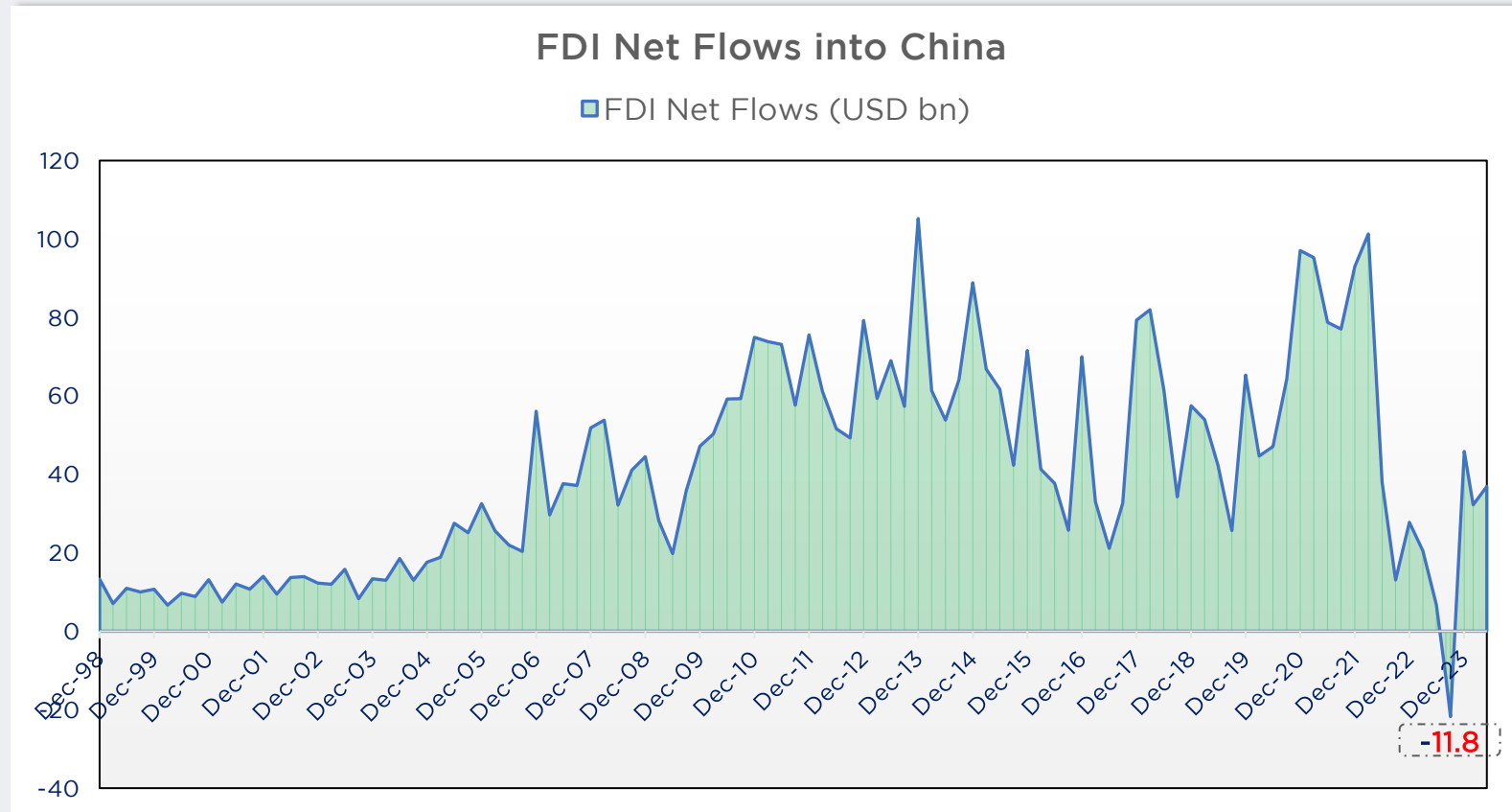
Source: Bloomberg; As on 30<sup>th</sup> September 2024

- Headline P/E multiple for the KOSPI Index are ~50% lower from its 2021 peak of ~26.7x



# **WHY THE FAR EAST & WHY NOW? A CONTRARIAN PERSPECTIVE**

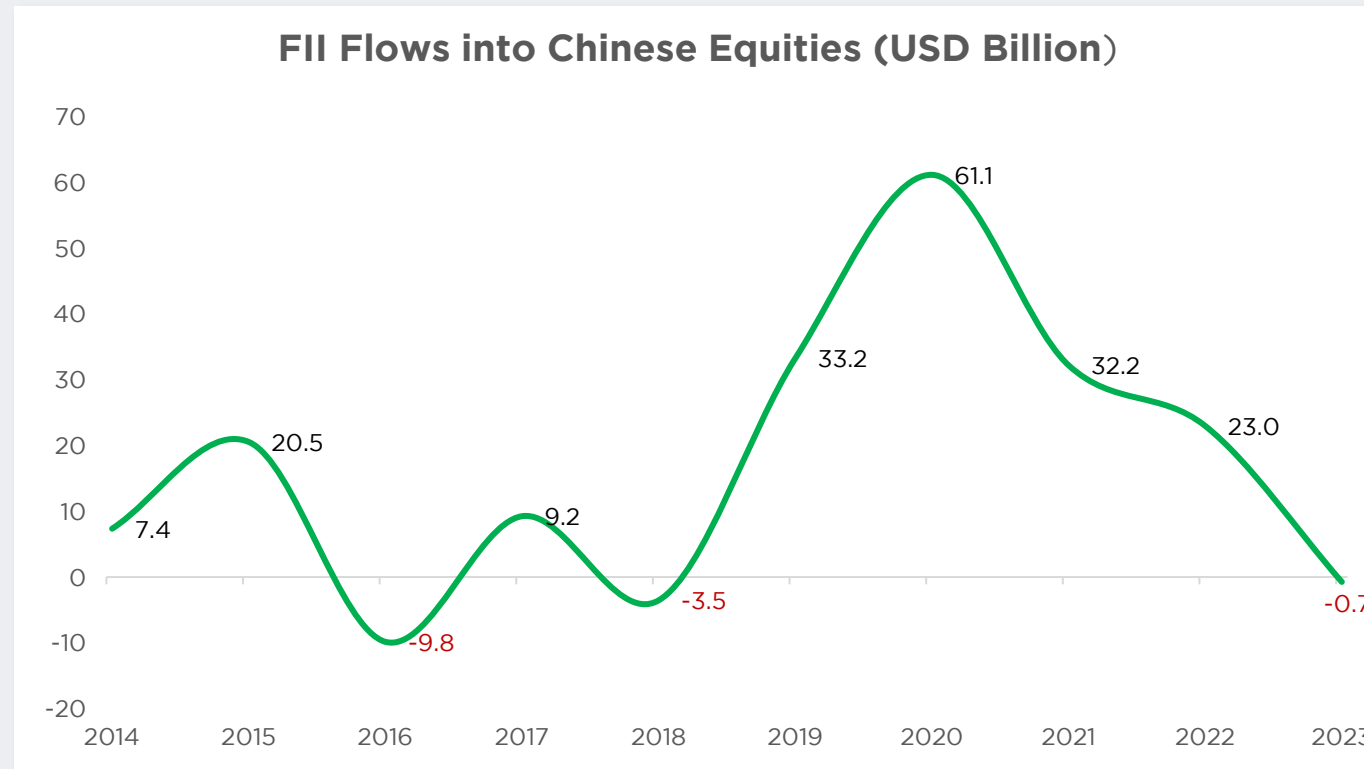
# CHINA: IDEAL OPPORTUNITY FOR A CONTRARIAN INVESTOR



Source: Bloomberg; Statista; As on 30<sup>th</sup> September 2024

- In the Q3CY23, inward FDI flows became negative for the first time since the start of the published timeline in 1998 and have just turned positive since showcasing renewed Investor sentiment

# CHINA: IDEAL OPPORTUNITY FOR A CONTRARIAN INVESTOR

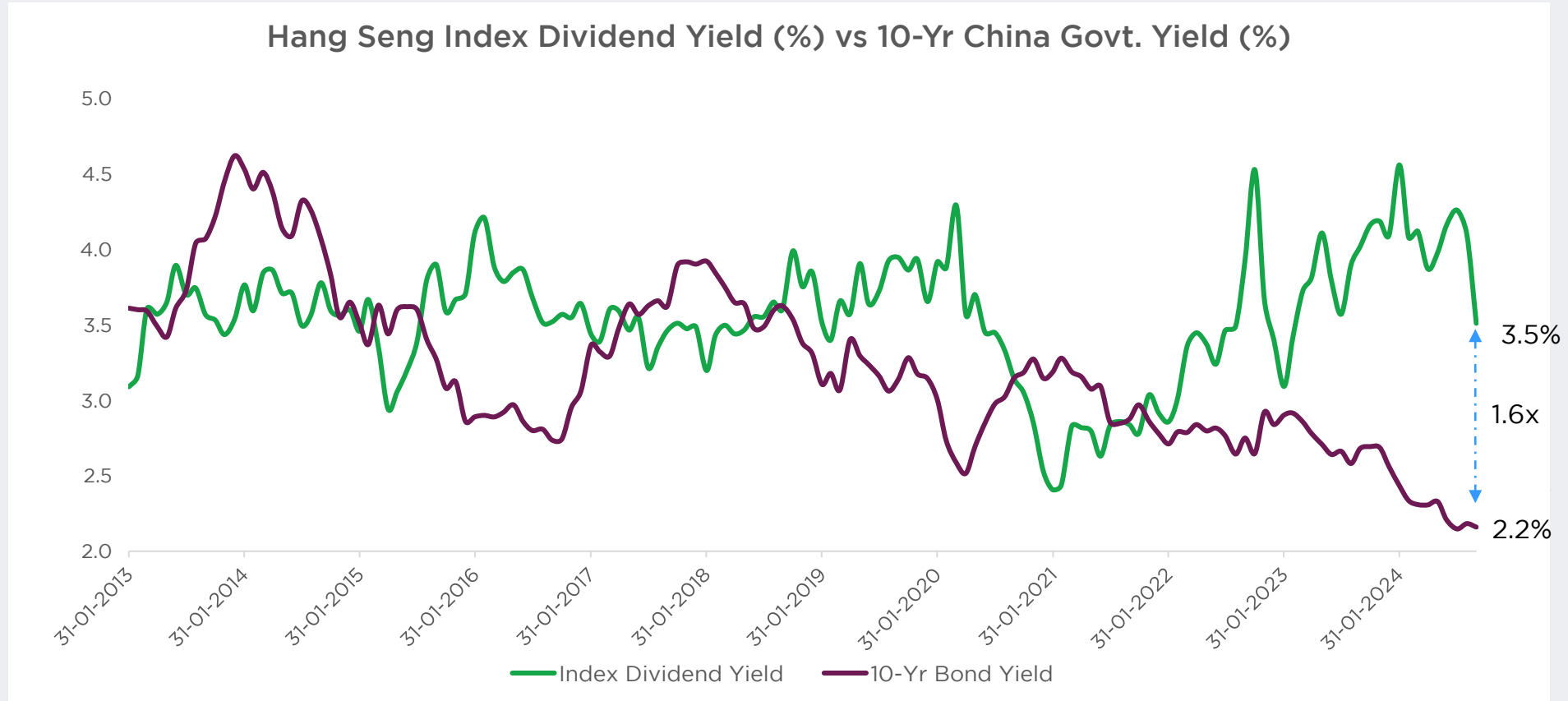


Source: Bloomberg

- In CY2023, FII turned cautions on Chinese Equities with negative net flows for the first time in 5 years



# WIDENING SPREAD: DIVIDEND YIELDS OUTSHINE BOND YIELDS

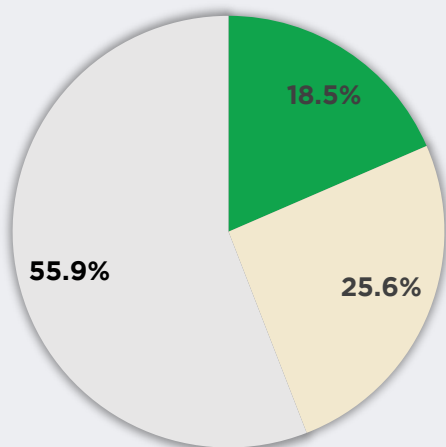


Source: Bloomberg; As on 30<sup>th</sup> September 2024

➤ Spread between Hang Seng Index Dividend yield and 10-Yr Govt. Bond is very high at 1.6x

# INVESTOR APATHY PROVIDING OPPORTUNITIES IN THE FAR EAST

% of World GDP

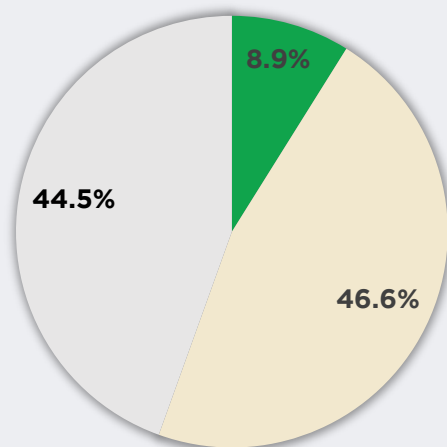


■ China ■ USA ■ Others

Source: International Monetary Fund; As of 2023

- China's disproportionately low contribution to world Market Capitalization (2023)

% of World Market Cap



■ China ■ USA ■ Others

MSCI Emerging Market Index (Ex-China)

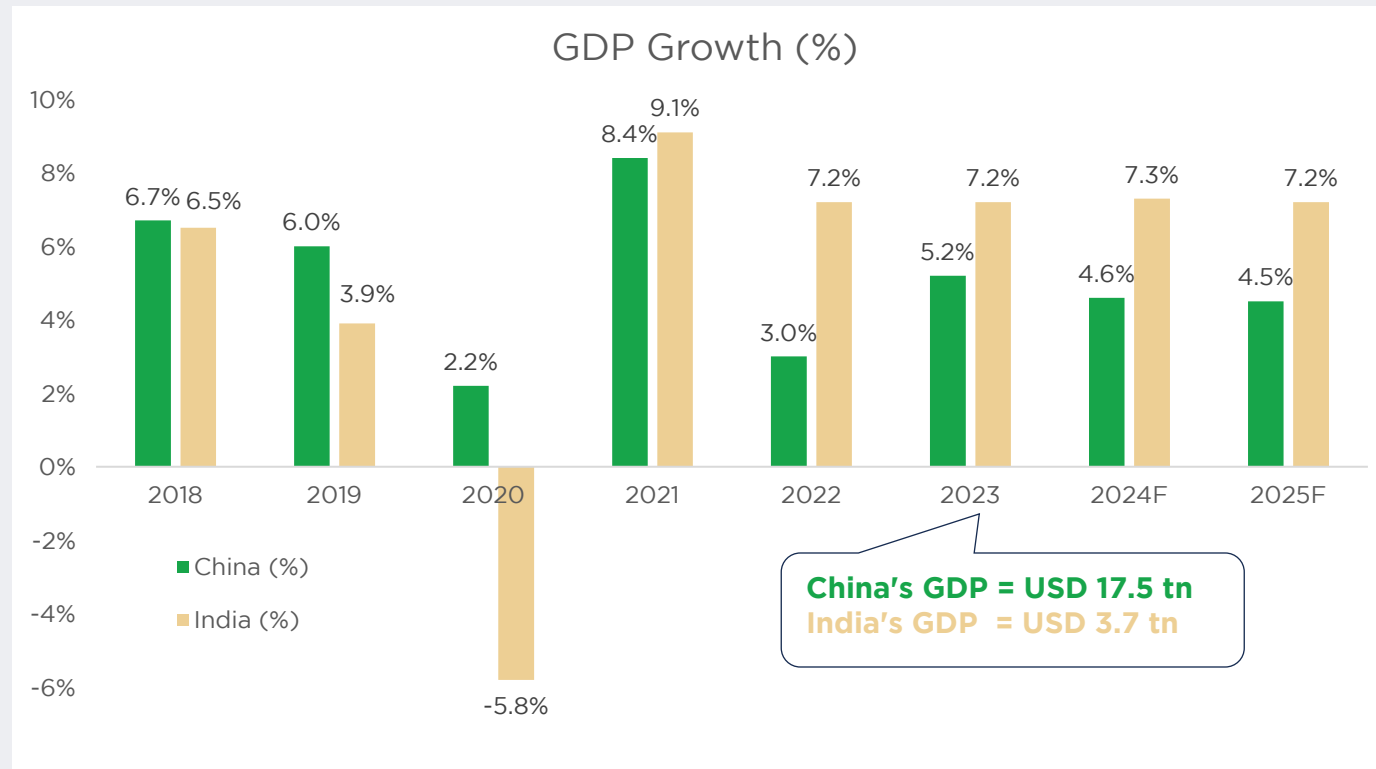


Source: Economic Times; Bloomberg; As on 29<sup>th</sup> February 2024

- China's weightage on the MSCI EM Index at a 4-yr low
- However, the MSCI EM Index (Ex-China) has rallied at a CAGR of 15.4% over the same period

# **WHAT'S THE DRIVING FORCE? DOMESTIC CONSUMPTION**

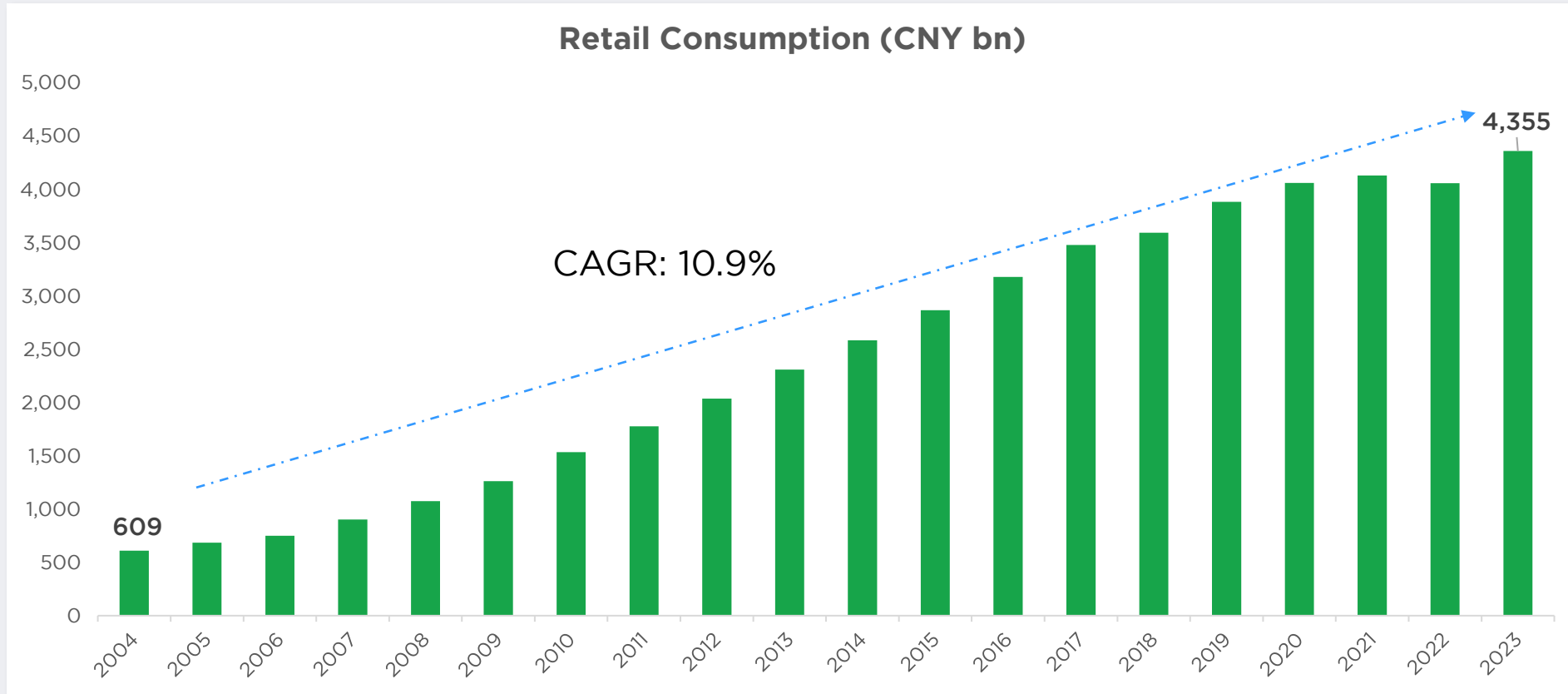
# CHINESE ECONOMY TO MAINTAIN GROWTH MOMENTUM



Source: International Monetary Fund (Statista; As on 30<sup>th</sup> Sep 2024)

- China's US\$17.5 tn economy contributes ~19% of world GDP and forecasted to maintain growth trajectory
- Scale of Chinese economy means that, China adds India's 1-yr absolute real GDP growth in just ~3 months

# MASSIVE OPPORTUNITIES IN DOMESTIC CONSUMPTION

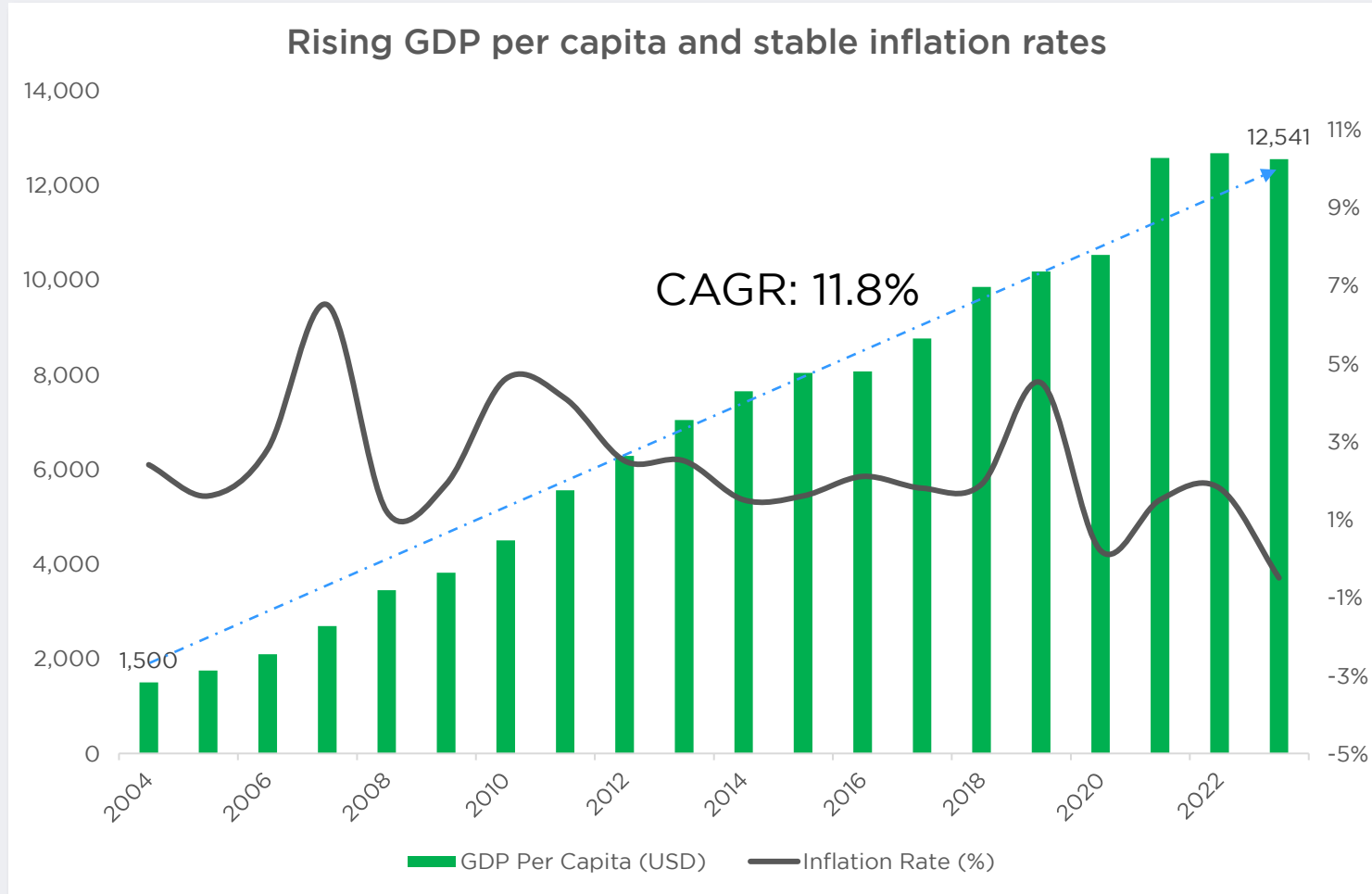


Source: Bloomberg; As on 29<sup>th</sup> Feb 2024

- China's shift from an export-led growth provides massive opportunities for domestic consumption
- Despite several economic upheavals, retail consumption has grown at ~11% CAGR over 20-yrs



# RISING/CAPITA + LOW INFLATION = HIGH DISPOSABLE INCOME



Source: Bloomberg; As on 29<sup>th</sup> February 2024

Year	High Income Households as % of Total Households (Urban)
2015	12%
2022	41%
2025E	52%
2030E	60%

Source: McKinsey & Co, 2024

- Stable Inflation along with rising per capita GDP has increased disposable income
- Rise in high-income households likely to boost demand for luxury and value-added goods

## “DON'T FIGHT THE FED” - CHINESE GOVT STEPS UP ACTIVITY

“China has banned major institutional investors from reducing equity holdings at the open and close of each trading day, part of the government’s most forceful attempt yet to prop up the nation’s \$8.6 trillion stock market”

- **Bloomberg, 21<sup>st</sup> Feb 2024**

“China regulator announces more curbs on short-selling”

- **Economic Times, 6<sup>th</sup> Feb 2024**

“State-backed ‘national team’ of investors piles in to support China stocks”

- **Reuters, 31<sup>st</sup> Jan 2024**

“China is weighing measures to prop up its stock markets, could reportedly mobilize \$278 billion”

- **CNBC, 22<sup>nd</sup> Jan 2024**

“China halves stamp duty on securities transactions, lowers margin requirement for buying stocks to boost investor confidence”

- **South China Morning Post, 28<sup>th</sup> Aug 2023**

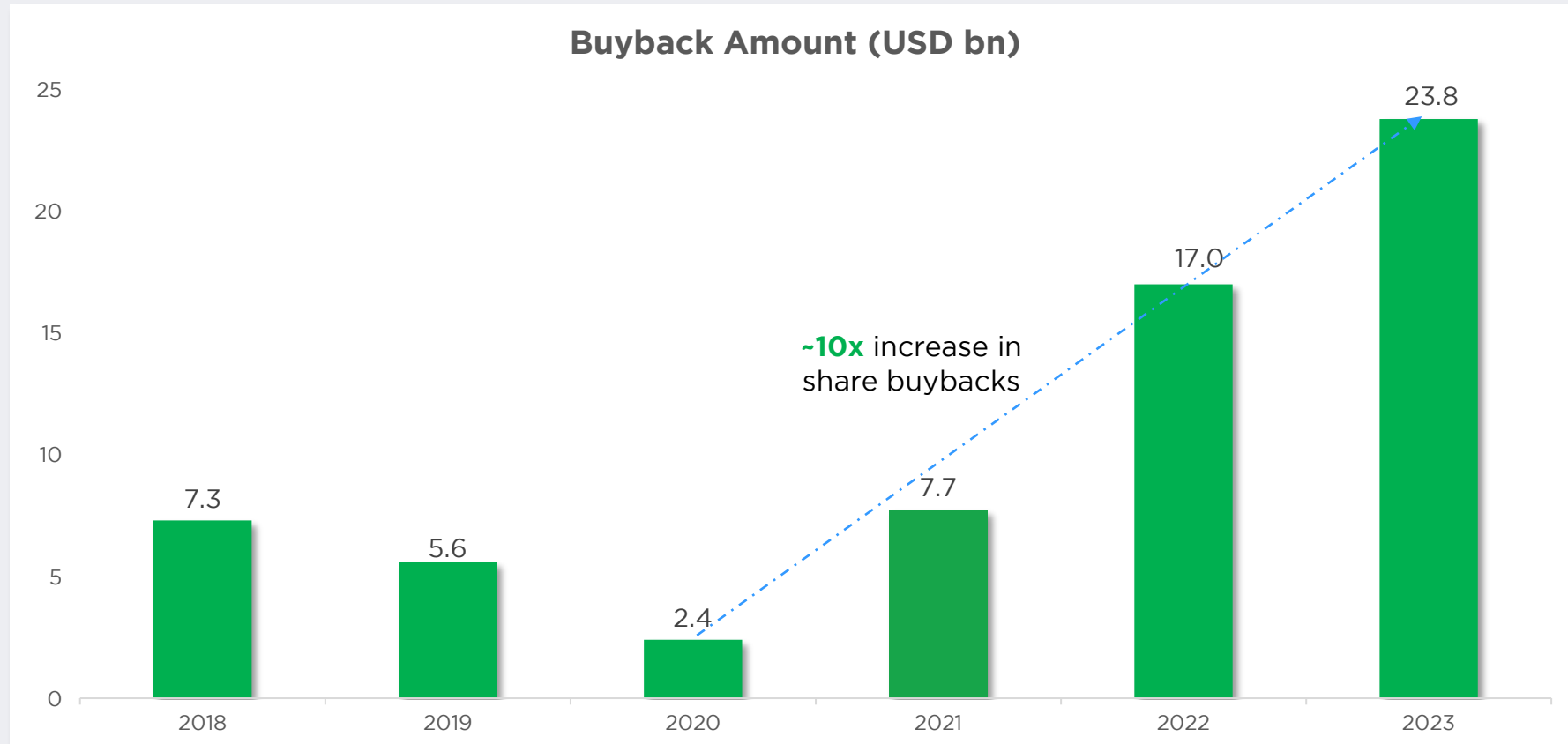
“China Securities Regulatory Commission (CSRC) approves minimum margin ratio of financing for purchasing securities to be lowered from 100 percent to 80 percent in China Exchanges”

- **China State Council, 28<sup>th</sup> Aug 2023**

“China moves to slow the pace of mainland initial public offerings (IPOs) in an attempt to bolster the secondary market”

- **Reuters, 27<sup>th</sup> Aug 2023**

## CHINA: BUYBACKS AT RECORD HIGHS



Source: Bloomberg

- Record share buybacks by Chinese Corporations reflect strong conviction in their business trajectory

# CASE STUDIES

## CASE STUDIES: Hyundai Motor Company vs Maruti Suzuki India

	Market Cap (USD bn)*	P/E Ratio*	Vehicles Sold (mn)
Hyundai Motor Company	40	5x	4.2 <sup>(1)</sup>
Maruti Suzuki India	43	42x	1.9 <sup>(2)</sup>
Hyundai India (Proposed IPO)	30**		0.6 <sup>(1)</sup>

- Hyundai Motor Co. trades at a lower market cap compared to Maruti Suzuki India despite selling over 2x vehicles
- Despite contributing only ~14% of vehicles sales, the Hyundai's India Unit is valued at ~75% of the Parent Co.'s M.cap

Source: Bloomberg; \*29<sup>th</sup> February 2024; \*\*Proposed IPO Valuation; (1) For CY ended Dec-2023; (2) For FY ended Mar-2023

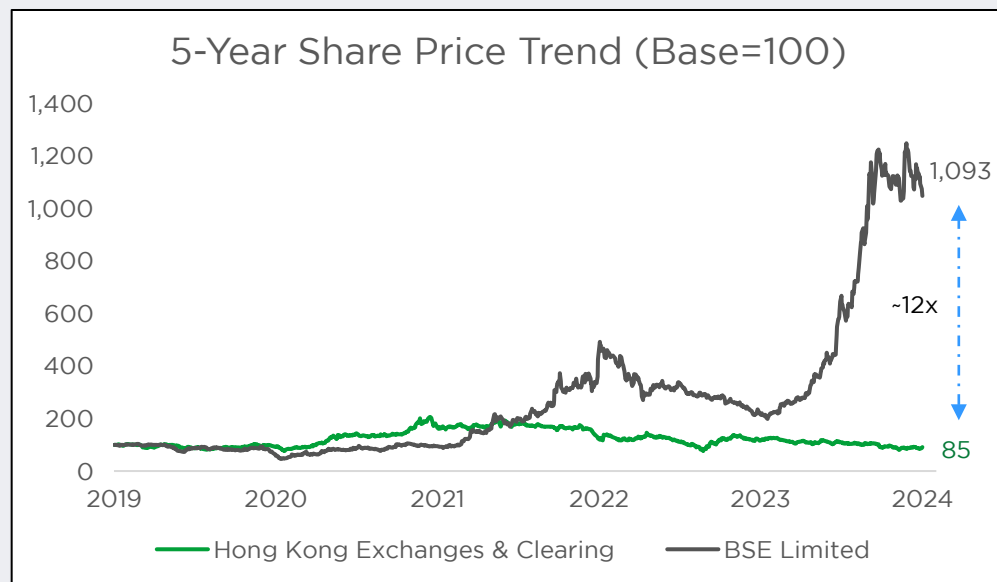
## CASE STUDIES: Singtel vs Bharti Airtel

	Market Cap (USD bn)*	P/E Ratio*	Subscribers Worldwide*** (mn)		
Singtel	29	12x	770	Singtel's Stake in Bharti Airtel	29%
Bharti Airtel	80	76x	369	Value of Singtel's Stake	US\$33 bn

- Singtel trades less than half the market cap of Bharti Airtel despite having 2x of the latter's subscriber base
- Value of Singtel's stake in Bharti Airtel is worth more than the Market Cap of Singtel itself

Source: Bloomberg; \*As on 29<sup>th</sup> February 2024; \*\*As on March 2023;

## CASE STUDIES: Hong Kong Exchanges & Clearing vs. BSE Ltd



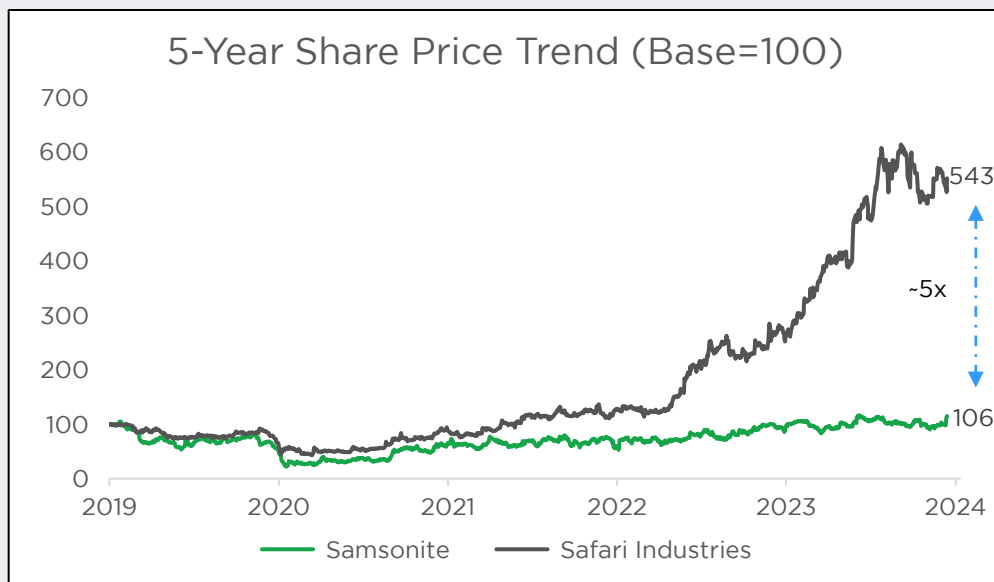
Source: Bloomberg; As on 29<sup>th</sup> February 2024

\* Adjusted for exceptional items net of taxes

	Hong Kong Exchanges & Clearing	BSE Ltd
5-Yr Price CAGR	-1.9%	60.1%
M.Cap (USD bn)	38.6	3.7
Current P/E	26.7x	83.0x*
Dividend Yield	3.5%	0.6%
5-Yr Rev. CAGR	5.3%	14.1%*
5-Yr PAT CAGR	5.0%	6.1%*

- Despite PAT growing at a CAGR of 5% over 5 years, HK Exchanges & Clearing gave negative returns over 5 years
- On the other hand, BSE's share price grew at a CAGR of 60.1% whilst PAT grew at 6.1%

## CASE STUDIES: Samsonite International vs. Safari Industries



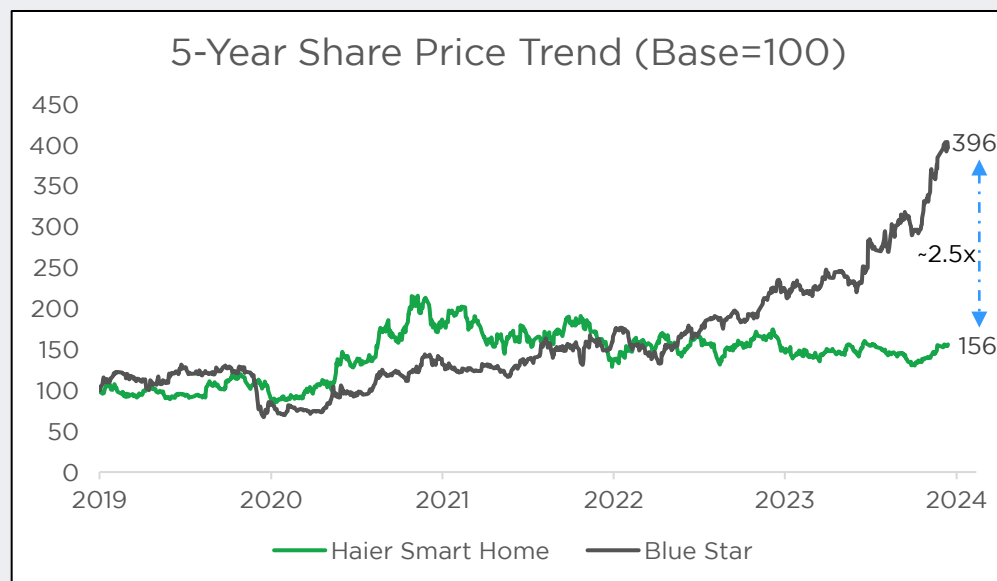
Source: Bloomberg; As on 29<sup>th</sup> February 2024

	Samsonite International	Safari Industries
5-Yr Price CAGR	1.3%	40.3%
M.Cap (USD bn)	5.7	0.9
Current P/E	13.6x	66.1x
Dividend Yield	2.7%	0.1%
5-Yr Rev. CAGR	-0.6%	28.8%
5-Yr PAT CAGR	12.0%	50.7%

- Despite PAT growing at a CAGR of ~12% over 5 years, Samsonite has barely given positive returns over the same period
- In addition, Samsonite presents an attractive dividend yield and trades at a fifth of Safari's P/E multiple



## CASE STUDIES: Haier Smart Home vs. Blue Star

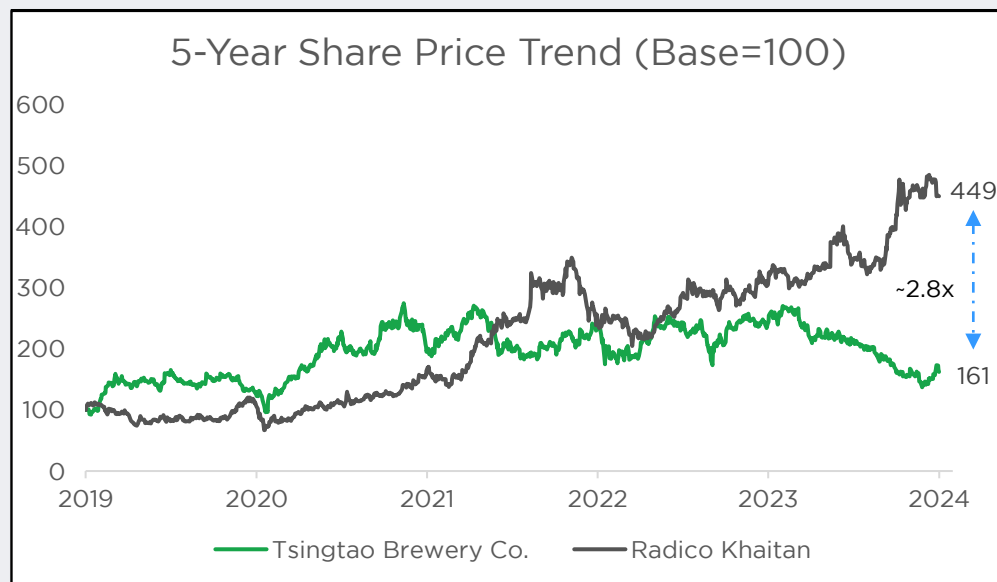


Source: Bloomberg; As on 29<sup>th</sup> February 2024  
SSE Price - Haier Smart Home

	Haier Smart Home	Blue Star Company
5-Yr Price CAGR	9.3%	31.6%
M.Cap (USD bn)	31.2	3.1
Current P/E	13.1x	36.3x
Dividend Yield	2.5%	0.5%
5-Yr Rev. CAGR	8.9%	14.1%
5-Yr PAT CAGR	16.3%	27.2%

- Despite PAT growing at a CAGR of ~16% over 5 years, Haier has given a 5-year CAGR price return of ~9%
- At a dividend yield of 2.5% and P/E multiple of 13.1x, Haier presents a robust margin of safety compared to Blue Star

## CASE STUDIES: Tsingtao Brewery Company vs. Radico Khaitan



Source: Bloomberg; As on 29<sup>th</sup> February 2024  
 \*PAT after eliminating non-recurring P/L items

	Tsingtao Brewery Co.	Radico Khaitan
5-Yr Price CAGR	9.9%	35.1%
M.Cap (USD bn)	13.1	2.4
Current P/E	15.6x	92.7x
Dividend Yield	3.6%	0.2%
5-Yr Rev. CAGR	4.1%	16.6%
5-Yr PAT CAGR	26.9%*	15.1%

- Despite outpacing Radico's PAT CAGR over 5-years, Tsingtao has given just a third of the former's share price returns
- As compared to Radico, Tsingtao trades at a sixth of the former's P/E multiple whilst providing an attractive div. yield

# PRODUCT INFORMATION



# PROCESS FLOW



## SCREENERS

- Sales growth, PAT growth, capacity utilisation
- Valuation dislocation  
EV/Sales, PE ratio, EV/EBITDA
- Debt
- Dividend track record
- Promoter ownership
- Insider Buying
- Industry Leadership
- Credit rating
- Long term track record



## RESEARCH

- Annual report
- Quarterly results
- Industry & company news
- Management interviews
- Third party research
- Management meetings
- Press releases
- Conference calls / Analyst meets



## PORTFOLIO CONSTRUCTION

- Well diversified portfolio
- Balance across sectors
- Catalyst for stock re-rating



## ONGOING RESEARCH



# PORTFOLIO CONSTRUCTION

We invest in high-quality listed companies with a focus on growth

Most market participants focus on price; we focus on company fundamentals.

We aim to construct a well-diversified portfolio across sectors

Invest with a 3-5 year horizon with a focus on low churn rate

A value can remain a value for a long time. We actively look for catalysts that can lead to stock rerating.

## DIRECTORS' PROFILE



**SIDDHARTHA BHAIYA**  
Director

- Founded Aequitas in 2012
- A qualified Chartered Accountant
- Has consistently outperformed the markets
- Delivered industry-beating CAGR returns
- Headed PMS division at Reliance Mutual Fund
- Expert at finding Multibaggers with his contrarian approach



**NEERAV SHAH**  
Director

- Co-founder at Aequitas
- 20+ years of experience in capital markets
- A qualified Chartered Accountant
- Previously with Reliance Capital Asset Management and Birla Sun Life
- Handled Operations, Fund Accounting and dealing functions



**PRITHIPAL SINGH**  
Director

- Amongst the renowned in the mutual fund industry
- 18+ years in the finance sector
- Has led Marketing & Sales teams at leading firms
- Disciplined personality, Military school background

## KEY PERSONNEL



**SUBHAM AGARWAL**  
Principal Officer

- A qualified Chartered Accountant
- 8+ years of experience
- Co-fund manager of Aequitas' offshore product
- Previously worked with Edelweiss and Investec
- Deep understanding of varied sectors and valuations
- Avid history buff



# INVESTMENT FEATURES AND FEE STRUCTURE



<b>MINIMUM INVESTMENTS</b>	US \$1 mn
<b>SUITABLE TIME FRAME</b>	3-5 years; 1 year lock-in with an exit load of 2% between 12-24 months*
<b>MODE OF INFLOW</b>	Bank Transfer
<b>FEES</b>	2% Daily Average AUM charged monthly
<b>PERFORMANCE SHARING</b>	10% profit sharing with high-water marking charged annually at the end of the financial year

*\*For non-resident clients (Individuals or non-individuals), no lock-in and no exit load.*





# AEQUITAS

Aequitas Investments IFSC Private Limited

Address: Unit No. FF-06, Seat 1-4, FF Floor,  
Pragya Accelerator Block-15, Zone-1,  
Road No. 11, Processing Area GIFT  
SEZ, GIFT City, Gandhinagar -  
382355, Gujarat

Phone no.: +91 72080 42953

Email id: [info.gift@aequitasindia.in](mailto:info.gift@aequitasindia.in)  
[operations.gift@aequitasindia.in](mailto:operations.gift@aequitasindia.in)



## BEST IN CLASS PARTNERS



An IFSCA registered entity



Tax advisors



AXIS BANK

Trustee services



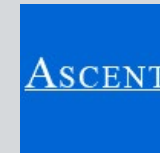
standard chartered

Custodian services



kotak  
Kotak Mahindra Bank

Banking Partner



Fund Administrator

### REPORTING

- Monthly NAV Appraisal Statement

- Quarterly Factsheet

# **DISCLAIMER**

## **NOTICE FOR PROSPECTIVE INVESTORS OF THE DUBAI INTERNATIONAL FINANCIAL CENTRE**

THIS MEMORANDUM RELATES TO A FUND WHICH IS NOT SUBJECT TO ANY FORM OF REGULATION OR APPROVAL BY THE DUBAI FINANCIAL SERVICES AUTHORITY ("DFSA"). THE DFSA HAS NO RESPONSIBILITY FOR REVIEWING OR VERIFYING ANY MEMORANDUM OR OTHER DOCUMENTS IN CONNECTION WITH THE FUND, ACCORDINGLY, THE DFSA HAS NOT APPROVED THIS MEMORANDUM OR ANY OTHER ASSOCIATED DOCUMENTS NOR TAKEN ANY STEPS TO VERIFY THE INFORMATION SET OUT IN THIS MEMORANDUM, AND HAS 93

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NO OFFER OR PROMOTION OF THE FUND OR THE PARTICIPATING SHARES HAS BEEN OR WILL BE MADE IN THE ABU DHABI GLOBAL MARKET EXCEPT BY AN "AUTHORISED PERSON" AND IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF THE ABU DHABI GLOBAL MARKET. THIS MEMORANDUM RELATES TO A FUND WHICH IS NOT SUBJECT TO ANY FORM OF REGULATION OR APPROVAL BY THE FINANCIAL SERVICES REGULATORY AUTHORITY (THE "FSRA"). THE FSRA ACCEPTS NO RESPONSIBILITY FOR REVIEWING OR VERIFYING ANY PROSPECTUS OR OTHER DOCUMENTS IN CONNECTION WITH THIS FUND. ACCORDINGLY, THE FSRA HAS NOT APPROVED THIS MEMORANDUM OR ANY OTHER ASSOCIATED DOCUMENTS NOR TAKEN ANY STEPS TO VERIFY THE INFORMATION SET OUT IN THIS MEMORANDUM, AND HAS NO RESPONSIBILITY FOR IT. THE PARTICIPATING SHARES TO WHICH THIS MEMORANDUM RELATES MAY BE ILLIQUID AND/OR SUBJECT TO RESTRICTION ON THEIR RESALE. PROSPECTIVE PURCHASERS SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE PARTICIPATING SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS MEMORANDUM YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR. NO PARTICIPATING SHARES ARE OFFERED TO RETAIL CLIENTS (AS DEFINED IN THE LAWS AND REGULATIONS OF THE FSRA).

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ALL APPLICATIONS FOR INVESTMENT SHOULD BE RECEIVED, AND ANY ALLOTMENTS SHOULD BE MADE, IN EACH CASE FROM OUTSIDE THE KINGDOM OF BAHRAIN. THIS MEMORANDUM HAS BEEN PREPARED FOR PRIVATE INFORMATION PURPOSES OF INTENDED INVESTORS ONLY WHO WILL BE HIGH NET WORTH INDIVIDUALS AND INSTITUTIONS. THE FUND REPRESENTS AND WARRANTS THAT IT HAS NOT MADE AND WILL NOT MAKE ANY INVITATION TO THE PUBLIC IN THE KINGDOM OF BAHRAIN AND THAT THIS MEMORANDUM WILL NOT BE ISSUED, PASSED TO, OR MADE AVAILABLE TO THE PUBLIC GENERALLY. THE CENTRAL BANK OF BAHRAIN HAS NOT REVIEWED, NOR HAS IT APPROVED, THIS MEMORANDUM OR THE MARKETING OF THE PARTICIPATING SHARES IN THE KINGDOM OF BAHRAIN. ACCORDINGLY, THE PARTICIPATING SHARES MAY NOT BE OFFERED OR SOLD IN THE KINGDOM OF BAHRAIN TO RESIDENTS THEREOF EXCEPT AS PERMITTED BY BAHRAIN LAW. THE CENTRAL BANK OF BAHRAIN IS NOT RESPONSIBLE FOR THE PERFORMANCE OF THE FUND.

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THIS MEMORANDUM, AND THE INFORMATION CONTAINED HEREIN, DOES NOT CONSTITUTE, AND IS NOT INTENDED TO CONSTITUTE, A PUBLIC OFFER OF SECURITIES IN THE UAE AND ACCORDINGLY SHOULD NOT BE CONSTRUED AS SUCH. THE PARTICIPATING SHARES ARE ONLY BEING OFFERED TO A LIMITED NUMBER OF INVESTORS IN THE UAE PERMITTED UNDER THE SECURITIES AND COMMODITIES AUTHORITY ("SCA") BOARD DECISION NO. 3 OF 2017 REGARDING THE PROMOTION AND INTRODUCTION REGULATIONS. THE PARTICIPATING SHARES HAVE NOT BEEN APPROVED BY OR LICENSED OR REGISTERED WITH THE UAE CENTRAL BANK, THE SECURITIES AND COMMODITIES AUTHORITY OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UAE. THE MEMORANDUM IS FOR THE USE OF THE NAMED ADDRESSEE ONLY AND SHOULD NOT BE GIVEN OR SHOWN TO ANY OTHER PERSON (OTHER THAN EMPLOYEES, AGENTS OR CONSULTANTS IN CONNECTION WITH THE ADDRESSEE'S CONSIDERATION THEREOF).

## **NOTICE FOR PROSPECTIVE INVESTORS OF THE STATE OF KUWAIT**

THIS MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL AND DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR, OR PURCHASE, ANY SECURITIES (INCLUDING UNITS IN INVESTMENT FUNDS) (REGARDLESS OF NOMENCLATURE) IN THE STATE OF KUWAIT. THE FUND MANAGER, ITS AGENTS AND REPRESENTATIVES HAVE NOT BEEN REGISTERED, LICENSED, OR AUTHORISED TO MARKET, SELL, OR OFFER SECURITIES (INCLUDING UNITS IN INVESTMENT FUNDS) (REGARDLESS OF NOMENCLATURE) IN THE STATE OF KUWAIT WHERE IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR MARKET SECURITIES UNLESS ALL NECESSARY APPROVALS FROM THE COMPETENT AUTHORITIES IN THE STATE OF KUWAIT PURSUANT TO LAW NO. 7 OF 2010, AND ITS EXECUTIVE BYLAWS (EACH AS AMENDED) IN ADDITION TO THE VARIOUS RESOLUTIONS, REGULATIONS, DIRECTIVES AND INSTRUCTIONS ISSUED PURSUANT THERETO, OR IN CONNECTION THEREWITH (REGARDLESS OF NOMENCLATURE) AND ANY OTHER APPLICABLE LAW OR REGULATION DIRECTLY OR INDIRECTLY REGULATING THIS MATTER IN THE STATE OF KUWAIT (TOGETHER, THE "SECURITIES REGULATIONS"), HAVE BEEN GIVEN. 94

NO SERVICES RELATING TO THE OFFERING, INCLUDING THE RECEIPT OF APPLICATIONS AND/OR THE ALLOTMENT OF PARTICIPATING SHARES MAY BE RENDERED (OR DEEMED TO HAVE BEEN RENDERED) WITHIN THE STATE OF KUWAIT BY THE MANAGER, ITS AGENTS AND REPRESENTATIVES. INTERESTED INVESTORS IN THE STATE OF KUWAIT WHO APPROACH THE FUND MANAGER, ITS AGENTS AND REPRESENTATIVES ACKNOWLEDGE THE RESTRICTIONS UNDER THE SECURITIES REGULATIONS.

THE SUBSCRIPTION OF PARTICIPATING SHARES, CONTEMPLATED IN THIS MEMORANDUM BY INVESTORS IN THE STATE OF KUWAIT, SHALL NOT BE (A) DEEMED TO HAVE TAKEN PLACE IN THE STATE OF KUWAIT FOR WHATEVER REASON; (B) GOVERNED IN ANY WAY BY THE LAWS OF THE STATE OF KUWAIT; (C) SUBJECT TO THE JURISDICTION OF THE COURTS OF THE STATE OF KUWAIT, AS THE SUBSCRIPTION AGREEMENTS (AND ANY OTHER DOCUMENT RELATED THERETO) WILL BE ENTERED INTO OUTSIDE THE JURISDICTION OF THE STATE OF KUWAIT.

INVESTORS FROM THE STATE OF KUWAIT SHALL BE PRECLUDED FROM THE DISCLOSURE OR DISTRIBUTION OF ANY MATERIALS OR INFORMATION IN RELATION TO THIS MEMORANDUM TO ANY OTHER PERSON IN THE STATE OF KUWAIT.

INTERESTED INVESTORS FROM THE STATE OF KUWAIT WOULD BE DEEMED TO HAVE TAKEN SOUND LEGAL ADVICE TO THE FOREGOING EFFECT.

# DISCLAIMER

## **NOTICE FOR PROSPECTIVE INVESTORS OF THE SULTANATE OF OMAN**

THE INFORMATION CONTAINED IN THIS MEMORANDUM NEITHER CONSTITUTES A PUBLIC OFFER OF SECURITIES IN THE SULTANATE OF OMAN AS CONTEMPLATED BY THE COMMERCIAL COMPANIES LAW OF OMAN (SULTANI DECREE 4/74) OR THE CAPITAL MARKET LAW OF OMAN (SULTANI DECREE 80/98), NOR DOES IT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF ANY OFFER TO BUY NON-OMANI SECURITIES IN THE SULTANATE OF OMAN AS CONTEMPLATED BY ARTICLE 6 OF THE EXECUTIVE REGULATIONS TO THE CAPITAL MARKET LAW (ISSUED VIA MINISTERIAL DECISION NO 1/2009). ADDITIONALLY, THIS MEMORANDUM IS NOT INTENDED TO LEAD TO THE CONCLUSION OF ANY CONTRACT OF WHATSOEVER NATURE WITHIN THE TERRITORY OF THE SULTANATE OF OMAN. THE PARTICIPATING SHARES, THIS MEMORANDUM OR ANY OTHER OFFERING MATERIAL RELATING TO THE PARTICIPATING SHARES MAY NOT BE DISTRIBUTED TO ANY PERSON IN THE SULTANATE OF OMAN WITHOUT PRIOR CONSENT OF THE CAPITAL MARKET AUTHORITY OF OMAN, AND THEN ONLY IN ACCORDANCE WITH ANY TERMS AND CONDITIONS OF SUCH CONSENT.

## **NOTICE FOR PROSPECTIVE INVESTORS OF THE STATE OF QATAR**

THE PARTICIPATING SHARES HAVE NOT BEEN REGISTERED FOR PUBLIC OFFER OR DISTRIBUTION IN QATAR. THE PARTICIPATING SHARES MUST NOT BE DISTRIBUTED WITHIN QATAR BY WAY OF A PUBLIC OFFER, PUBLIC ADVERTISEMENT OR IN ANY SIMILAR MANNER, AND THIS MEMORANDUM AND ANY OTHER DOCUMENT RELATING TO THE PARTICIPATING SHARES, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN QATAR, OR USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OF THE PARTICIPATING SHARES TO THE PUBLIC IN QATAR. THIS OFFERING HAS NOT BEEN FILED WITH, REVIEWED OR APPROVED BY THE QATAR CENTRAL BANK, THE QATAR FINANCIAL MARKETS AUTHORITY, THE QATAR FINANCIAL CENTRE REGULATORY AUTHORITY OR ANY OTHER RELEVANT QATARI GOVERNMENTAL BODY OR SECURITIES EXCHANGE. THIS MEMORANDUM DOES NOT, AND IS NOT INTENDED TO, CONSTITUTE AN INVITATION OR OFFER OF SECURITIES IN THE STATE OF QATAR AND ACCORDINGLY SHOULD NOT BE CONSTRUED AS SUCH.

THIS MEMORANDUM IS BEING ISSUED TO A LIMITED NUMBER OF INSTITUTIONAL AND/OR SOPHISTICATED INVESTORS (I) UPON THEIR REQUEST AND CONFIRMATION THAT THEY UNDERSTAND THAT THE FUND HAS NOT BEEN APPROVED OR LICENSED BY OR REGISTERED WITH THE QATAR CENTRAL BANK, QATAR FINANCIAL MARKETS AUTHORITY, THE QATAR FINANCIAL CENTRE REGULATORY AUTHORITY OR ANY OTHER APPLICABLE LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE STATE OF QATAR; AND (II) ON THE CONDITION THAT IT WILL NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, IS NOT FOR GENERAL CIRCULATION AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

PERSONS INTO WHOSE POSSESSION THIS MEMORANDUM COMES ARE ADVISED TO CONSULT WITH THEIR OWN LEGAL ADVISORS WITH RESPECT TO ANY APPLICABLE LAWS THAT MAY RESTRICT THE DISTRIBUTION OF THIS 95

MEMORANDUM. NEITHER THIS MEMORANDUM NOR ANY PART OF IT SHALL BE RELIED UPON IN ANY WAY IN CONNECTION WITH ANY CONTRACT FOR THE ACQUISITION OF THE PARTICIPATING SHARES NOR SHALL ITS ISSUE BE TAKEN AS ANY FORM OF COMMITMENT ON THE PART OF THE FUND PROCEED WITH ANY TRANSACTION.

IN MAKING AN INVESTMENT DECISION REGARDING THE PARTICIPATING SHARES, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING WITHOUT LIMITATION THE MERITS AND THE RISKS INVOLVED.

## **NOTICE FOR PROSPECTIVE INVESTORS OF THE KINGDOM OF SAUDI ARABIA**

THIS MEMORANDUM MAY NOT BE DISTRIBUTED IN THE KINGDOM OF SAUDI ARABIA EXCEPT TO SUCH PERSONS AS ARE PERMITTED UNDER THE RULES ON THE OFFER OF SECURITIES AND CONTINUING OBLIGATIONS ISSUED BY THE SAUDI ARABIAN CAPITAL MARKET AUTHORITY (“**CMA**”). THE CMA DOES NOT MAKE ANY REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM, OR INCURRED IN RELIANCE UPON, ANY PART OF THIS MEMORANDUM. PROSPECTIVE PURCHASERS OF THE PARTICIPATING SHARES OFFERED HEREBY SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE ACCURACY OF THE INFORMATION RELATING TO THE PARTICIPATING SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS MEMORANDUM, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR.

## **NOTICE FOR PROSPECTIVE INVESTORS OF THE UNITED STATES OF AMERICA**

THE UNITS OF THE FUND HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. THE UNITS MAY NOT BE OFFERED, SOLD OR DELIVERED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY “U.S. PERSON” EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE LAWS.

THE UNITS ARE BEING OFFERED OUTSIDE THE UNITED STATES PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER REGULATION UNDER THE SECURITIES ACT AND INSIDE THE UNITED STATES IN RELIANCE ON REGULATION D PROMULGATED UNDER THE SECURITIES ACT AND SECTION 4(A)(2) THEREOF.

THE UNITS ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE ABLE TO BEAR THE LOSS OF THEIR INVESTMENT IN THE FUND. THE FUND’S INVESTMENT PROGRAM, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A SUBSTANTIAL DEGREE OF RISK. SUBSCRIBERS FOR UNITS MUST REPRESENT THAT THEY ARE ACQUIRING THE UNITS FOR INVESTMENT. A SUBSCRIBER THAT IS A U.S. PERSON WILL ALSO BE REQUIRED TO REPRESENT, AMONG OTHER THINGS, THAT IT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 UNDER REGULATION D ADOPTED UNDER THE SECURITIES ACT THEREUNDER.

OFFERING MATERIALS FOR THE OFFERING OF THE SHARES HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY THE SEC OR ANY OTHER STATE OR FEDERAL REGULATORY AUTHORITY, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR PASSED UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING MATERIALS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.