

Marco Polo Pure Asset Management (Cayman Islands) Limited

CRD Number: 139036

Firm Brochure

Name: Marco Polo Pure Asset Management (Cayman Islands) Limited (the “Firm”)

Business Address: Suite 1203, The Centrium, 60 Wyndham Street, Central, Hong Kong

Contact Information: Lincoln Lee, Chief Operating Officer/Chief Compliance Officer

Telephone: +852 3426 8803

Email: lincolnlee@marcopolofund.com

Website address: www.marcopolofund.com

Date: March 29, 2012

This brochure provides information about the qualifications and business practices of Marco Polo Pure Asset Management (Cayman Islands) Limited. If you have any questions about the contents of this brochure, please contact us at +852 3426 8803 and/or lincolnlee@marcopolofund.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Marco Polo Pure Asset Management (Cayman Islands) Limited also is available on the SEC’s website at www.adviserinfo.sec.gov.

Disclaimer: Any registration or filing with any regulatory body does not imply a certain level of skill or training or that any such regulatory body has approved the Firm.

Item 2 Material Changes

The Firm AUM dropped from USD 128 million as of December 31, 2010 to USD 86 million as of December 31, 2011 due to the negative returns of the Marco Polo Pure China Fund and the Marco Polo Pure Pan-China Master Fund and fund investors' redemptions in 2011.

Credit Suisse acquired the fund administration business from ABN AMRO and the transaction was completed on April 30, 2011. Credit Suisse Administration Services (Cayman) Limited is the fund administrator while Credit Suisse (Hong Kong) Limited is the fund sub-administrator.

Item 3 Table of Contents

	Page
Item 4 Advisory Business	4
Item 5 Fees and Compensation	4
Item 6 Performance-Based Fees and Side-By-Side Management	5
Item 7 Types of Clients	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 Disciplinary Information	6
Item 10 Other Financial Industry Activities and Affiliations	6
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	6
Item 12 Brokerage Practices	7
Item 13 Review of Accounts	8
Item 14 Client Referrals and Other Compensation	8
Item 15 Custody	8
Item 16 Investment Discretion	9
Item 17 Voting Client Securities	9
Item 18 Financial Information	9

Item 4 Advisory Business

The Firm has been in business since August 2004 and is currently providing investment management services to two hedge funds: the Marco Polo Pure China Fund and the Marco Polo Pure Pan-China Master Fund and its two feeder funds; the Marco Polo Pure Pan-China Fund and the Marco Polo Pure Pan-China Fund LLC (individually the “Fund” and together the “Funds”), focusing on China-related securities.

Principal owners are:

- Aaron Scott BOESKY
- Wing Mui Chris TANG
- Stirling Finance Limited
- Alan Jeffrey LANDAU

Subject to the investment objectives and policies and investment restrictions as set out in the Offering Memoranda of the Funds, the Firm has discretionary authority in the investment and reinvestment of the Funds’ investments with full power and authority to make such purchases and sales.

Aggregate assets under management on a discretionary basis were US\$85.7 million as of December 31, 2011, which is calculated same as assets reported in Part 1, Item 5. No assets are managed on a non-discretionary basis.

Item 5 Fees and Compensation

The Firm receives a management fee quarterly in advance, at a percentage of the Net Asset Value of each participating share of the Fund or of each Member’s Capital Account balance at the last valuation day of the previous calendar quarter, before deduction of any management fee or accrued performance fee or accrued performance allocation. On the last business day of each calendar quarter, the Firm will refund to the Fund or each Member’s Capital Account on a pro-rata basis any excess management fee prepaid and the Fund or each Member’s Capital Account will pay the Firm any deficit in the management fee paid as soon as reasonably practicable after the end of such quarter. The Firm may waive or reduce the management fee with respect to any period of time.

Management fee prepaid will be refunded on a pro-rata basis if the advisory contract is terminated before the end of a quarter.

Each Fund has to pay administration fees, transfer agency service fees, custodial fees, and bear all expenses incidental to its operations and business, including legal, audit, printing and distribution, annual company registration, Director expenses and all other operating and administrative expenses.

Each Fund will also incur brokerage and other transaction costs. Please refer to the offering memorandum of each Fund and “Item 12 Brokerage Practices” below for details.

All or part of the Sales Charge (or any amount payable to the Firm) may be allowed or paid, at the discretion of the Firm, to brokers through whom investors are introduced. Please refer to the offering memorandum of each Fund and “Item 14 Client Referrals and Other Compensation” below for details.

Item 6 Performance-Based Fees and Side-By-Side Management

The Firm receives a performance fee from the Funds based on a share of the appreciation in the Net Asset Value per participating shares above the High Water Mark or a performance allocation of each Member’s pro-rata share of the net realized and unrealized appreciation in the value of the assets of the Funds in excess of any net depreciation allocated to such Member’s Capital Account and carried forward from the prior year (the “Loss Carryforward Amount”). Please refer to the respective Fund’s offering memorandum for a detailed description of how the performance fee or performance allocation is calculated.

The Firm may receive performance fees with respect to unrealized appreciation of the Funds’ assets as well as with respect to realized gains from the Funds’ investments. Performance-based fees may result in the employment of more aggressive or more conservative investment strategies than might otherwise be employed by the Firm. By reason of the Funds’ investment philosophy and strategy, investments may be made in securities for which a market quotation is not readily available. Such securities will be valued for all purposes, including as a basis for determining the fees payable to the Firm, solely by the Firm.

Item 7 Types of Clients

The Firm currently provides investment advice to private hedge funds.

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

The Firm uses a long-biased, value-oriented strategy that focuses on the selection of individual securities through a top-down sector allocation and bottom-up company selection, emphasizing intensive securities analysis and frequent visits to the issuers of the securities in which the Funds invest.

The Firm identifies opportunities presented by “China-related” securities through intensive top-down and bottom-up research. Selected investment opportunities are exploited by making both long and short investments. Systematic and other risks are reduced through hedging techniques. “China-related” securities include securities issued by, or the values of which are based on or derived from, the securities of (i) The People’s Republic of China’s (“PRC”) companies, (ii) companies with substantial operations in the PRC, (iii) companies that derive significant revenue from the PRC, (iv) Taiwanese companies, (v) the PRC government and (vi) companies that may be affected by events, policies or

situations related to or occurring inside the PRC. Opportunities sought in China-related securities will include - (i) relative value opportunities identified through the Firm's research; (ii) opportunities created by on-going Chinese policy changes at both the central and provincial levels of government; (iii) arbitrage opportunities in securities across share classes and markets; and (iv) special and event driven situations, such as mergers and acquisitions, joint ventures and restructurings.

All or a substantial portion of the assets of the Funds are expected to be invested in securities of companies and other issuers located in the PRC. The PRC may be considered a "developing country" or "emerging market". Investments in the PRC may involve greater investment risks due to the volatility generally prevalent in this market.

Among the risks related to investing in the PRC are foreign investment regulations and exchange controls, unpredictable macroeconomic conditions, emerging market stock exchange, withholding and capital gains tax laws and regulations, political risk and regulatory risk.

Please refer to the more complete disclosure in the offering memorandum of each Fund that set out a more detailed discussion of risks.

Item 9 Disciplinary Information

There are no legal or disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

The Firm is under common control with Marco Polo Pure Asset Management Limited in Hong Kong. Marco Polo Pure Asset Management Limited has been appointed as the investment advisor and has the responsibility for performing investment research and giving investment advice to the Firm. Please refer to the offering memorandum of each Fund for the potential conflicts of interest.

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

In order to prevent unlawful trading and promote ethical conduct by the Firm's employees, the Firm's Code of Ethics, which has been incorporated into the Compliance Manual, includes certain provisions relating to personal securities trading by our employees. Our Compliance Manual includes the following:

- Standards of business conduct that the Firm requires of its supervised persons reflecting the Firm's fiduciary obligations;
- Provisions requiring the Firm's supervised persons to comply with applicable laws;
- Provisions that require all employees to pre-clear their sales and purchases of Covered Securities with the Chief Compliance Officer (Covered Securities are securities issued by, or the value of which

are based on or derived from, the securities of (i) Chinese companies, (ii) companies with substantial operations in China, (iii) companies that derive significant revenue from China, (iv) Taiwanese companies, or (v) the Chinese government);

- Provisions that require all employees to report their personal securities transactions and holdings periodically and the quarterly review of such personal securities transactions;
- Provisions for “Blackout Periods” where no employee shall exercise a securities transaction on a day during which any Fund managed by the Firm has a pending “buy” or “sell” order in that same security until that order is executed or withdrawn and no authorized trader shall buy or sell a security within 7 calendar days before or after a Fund which he has trading authority trades in that security;
- Provisions requiring supervised persons to report any violations of the Firm’s Code of Ethics promptly to the Chief Compliance Officer;
- Provisions requiring the Firm to provide each of its supervised persons with a copy of the Compliance Manual and any amendments, and requiring its supervised persons to provide a written acknowledgement of their receipt of the Compliance Manual and any amendments; and
- Provisions on insider trading – the Firm maintains written policies and procedures to prevent the misuse of material non-public (“insider”) information.

A copy of the Code of Ethics is available to any client or prospective client upon request.

Item 12 Brokerage Practices

The Firm takes all reasonable steps to ensure that the broker-dealers that it uses in transactions is reliable and that the terms and encumbrances of the transaction are the best available to the Firm on the relevant market at the time for transactions of the same size and nature with a reliable counterparty.

The Firm receives both proprietary research from broker-dealers and research created or developed by third-parties. The Firm uses the research to serve all Funds and for which no direct payment is made but instead the Firm has undertaken to place business with these broker-dealers.

The Firm does not pay brokerage to broker-dealers for client referrals or direct brokerage to any specific broker-dealer.

The Firm may buy or sell the same security for the Funds at the same time or effect transactions that differ in substance, timing and amount, due to differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities for a Fund or limitations on the availability of particular investment transactional opportunities. The Firm will allocate transactions and opportunities among the Funds as equitable as possible, considering each Fund’s objectives, programs, limitations and capital available for investment, but all Funds may not necessarily invest in the same securities.

The Firm may combine purchase and sale orders and allocate the securities or proceeds arising out of those transactions and the related transaction expenses on an average price basis among the various participants in the transactions. In some cases, the average price could be less advantageous than if the transactions are not aggregated or not completed at the same time. There could also be circumstances that a Fund's transactions may not, under certain laws and regulations, be combined with other Funds and a Fund may obtain less advantageous execution than the other Funds.

Our Chief Investment Officer, Chris Tang, is responsible for determining whether a security is suitable for each Fund's specific mandate, places order accordingly, seeks for best execution and allocate in the most equitable manner.

Item 13 Review of Accounts

The Chief Investment Officer and Chief Operating Officer/Chief Compliance Officer review the portfolio of each Fund on a daily basis for compliance with the investment restrictions set out in the offering memorandum of each Fund. The Accountant and the Vice President – Accounting and Operations also review the month end calculation of Net Asset Value of each Fund by the fund sub-administrator, Credit Suisse (Hong Kong) Limited.

The fund sub-administrator independently sends official monthly statements with shareholdings and Net Asset Value or capital account balance information to each Fund and its investors.

Item 14 Client Referrals and Other Compensation

The Firm has placement agreements with brokers for introducing investors to the Funds. Such brokers may receive a sales commission and a share of the management fee and performance fee that the Firm receives attributable to the amounts invested by investors introduced by such brokers.

Item 15 Custody

Investors and each Fund receive official monthly account statements with transactions and shareholdings of investors and Net Asset Value or capital account balance information of investors directly from the fund sub-administrator. Investors are advised that they should review the account statements carefully and notify the Firm or the fund administrator immediately if there is any discrepancy between information in the account statement and their own record. The Firm does not send out any account statements to the Funds or the investors.

Item 16 Investment Discretion

Please refer to “Item 4 Advisory Business” above for a description of how the Firm exercises investment discretion. Prior to assuming responsibility for investment discretion, an executed investment management agreement between the Firm and the Fund must be in place.

Item 17 Voting Client Securities

Since the Firm’s only clients are the Funds, which cannot direct our vote in a particular solicitation, the Firm exercises investment discretion in voting securities. The Firm votes if the Firm agrees with the proposals and for the best interest of the investors of the Funds.

Item 18 Financial Information

This is not applicable.