

Neon Liberty Capital Management LLC

Firm Brochure

Form ADV Part 2

This brochure provides information about the qualifications and business practices of Neon Liberty Capital Management LLC. If you have any questions about the contents of this brochure, please contact:

Zev Shiffman
Chief Compliance Officer
Email: zshiffman@neoninvestment.com
Phone: (212) 687-1948

Alan Niewald
Director of Business Development
Email: aniewald@neoninvestment.com
Phone: (212) 983-4706

Website: <http://neoninvestment.net>

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.

Neon Liberty Capital Management LLC is an SEC registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about Neon Liberty Capital Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

March 2012

600 Third Avenue, 26th Floor • New York, NY • 10016
PHONE: 212-983-1518 • FAX: 212-983-3273

Material Changes

We are updating this Form ADV Part 2A as part of an annual update. We filed our last annual update on March 31, 2011. Though we note certain changes below that have occurred since our previous annual update, we recommend that you read this Form ADV Part 2A in its entirety.

Section 1: Advisory Business

As of January 1, 2012, we managed \$605,550,000 in assets on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Section 5: Method of Analysis, Investment Strategies and Risk of Loss

Effective January 1, 2012, we restructured certain aspects of the Neon Liberty Emerging Markets Fund structure, which consists of Neon Liberty Emerging Markets Fund LP, a Delaware limited partnership, and Neon Liberty Emerging Markets Fund Ltd., a Cayman Islands exempted company. Pursuant to the restructuring, Neon Liberty Emerging Markets Fund Ltd. now invests all of its investible assets in Neon Liberty Emerging Markets Fund LP.

Table of Contents

1.	Advisory Business.....	3
2.	Fees and Compensation.....	3
3.	Performance-Based Fees	6
4.	Types of Clients	6
5.	Method of Analysis, Investment Strategies and Risk of Loss.....	7
6.	Disciplinary Information.....	11
7.	Other Financial Industry Activities and Affiliations.....	11
8.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
9.	Brokerage Practices	12
10.	Review of Accounts.....	14
11.	Client Referrals and Other Compensation	14
12.	Custody	14
13.	Investment Discretion.....	15
14.	Voting Client Securities	15
15.	Financial Information	16

1. Advisory Business

- A. Neon Liberty Capital Management, LLC, a Delaware limited liability company, is owned by Neon Capital Management LP (which is owned by Mr. Satyen Mehta & Mr. Alejandro Baez-Sacasa) and M.T.J.C., LLC, a passive investor. The principal owners founded the firm in 2002 and Neon registered with the SEC as a registered investment advisor in 2008.
- B. We provide investment management services to private pooled investment vehicles, including domestic and offshore investment funds.
- C. The funds are managed in accordance with the objectives and policies set forth in their respective offering documents and pursuant to the terms of the respective investment management agreement between us and each fund. While we strictly adhere to the investment strategy set forth in each client's offering document, clients may not otherwise impose restrictions on investing in certain securities or types of securities.
- D. We do not participate in any wrap-fee programs.
- E. As of January 1, 2012, we managed \$605,550,000 in assets on a discretionary basis. We do not manage any assets on a non-discretionary basis.

2. Fees and Compensation

- A. We receive compensation from our clients based on the percentage of assets under management. Generally, we charge our clients a management fee based on a percentage of assets under management, calculated and payable quarterly in advance. Investors admitted to the funds other than on the first day of a calendar quarter are subject to a prorated management fee.

Additionally, our affiliates receive performance-based compensation based on a percentage of each fund investor's annual net realized and unrealized profits at the end of each fiscal year or upon a withdrawal event, subject to a "high water mark" limitation, and subject to a hurdle, where applicable (see below). We typically structure our performance-based compensation as profit-sharing allocations through general partner interests that our affiliates hold in our client funds.

Although fees are generally non-negotiable, we have the discretion to waive all or a portion of the asset-based management fee and/or the performance-based compensation, but typically only exercise this discretion for investors that are our affiliates or employees. In addition, we have the discretion to enter into side letter arrangements with certain investors in our client funds in which we grant them preferential treatment in terms of liquidity and fees.

All investors in NLCF Fund LP are qualified purchasers and therefore, this brochure does not contain our advisory service fee schedule for this client. The asset-based fees and performance-based compensation for this client were negotiated based on various factors and may be preferential to the fees charged to other clients.

Asset-Based Management Fees:

Neon Liberty Emerging Markets Fund LP: 1.5% of the net asset value of each investor's capital account, annually.

Neon Liberty Emerging Markets Fund Ltd.: with respect to investors subject to a one year lock-up, 1.25% of the net asset value of Neon Liberty Emerging Markets Fund LP into which the client invests all of its assets indirectly attributable to each such investor's shares, annually; with respect to all other investors, 1.5% of the net asset value of Neon Liberty Emerging Markets Fund LP indirectly attributable to each such investor's shares, annually. The client pays the management fee at the Neon Liberty Emerging Markets Fund LP level only.

Neon Liberty Lorikeet Fund LP: 1.5% of the net asset value of the master fund into which the client invests substantially all of its assets (Neon Liberty Lorikeet Master Fund LP) indirectly attributable to Class B investor's capital account; 1.25% of the net asset value of the master fund indirectly attributable to each Class C investor's capital account, annually.

Neon Liberty Lorikeet Fund Ltd.: 1.5% of the net asset value of the master fund into which the client invests substantially all of its assets (Neon Liberty Lorikeet Master Fund LP) indirectly attributable to each investor's Class Lorikeet E shares; 1.25% of the net asset value of the master fund indirectly attributable to each investor's Class Lorikeet F shares, annually.

Neon Liberty Wei Ji Fund LP: 1.25% of the net asset value of the master fund into which the client invests substantially all of its assets (Neon Liberty Wei Ji Master Fund LP) indirectly attributable to each investor's capital account, annually.

Neon Liberty Wei Ji Fund Ltd.: 1.25% of the net asset value of the master fund into which the client invests substantially all of its assets (Neon Liberty Wei Ji Master Fund LP) indirectly attributable to each investor's shares, annually.

Japan Chickadee Fund, LP: 1.5% of the net asset value of each investor's capital account, annually.

Performance-Based Compensation:

Neon Liberty Emerging Markets Fund LP: 20% annually of the client's annual net profits attributable to each investor's capital account, subject to a high water mark. A high water mark ensures that we only receive performance-based compensation when the client's account value is greater than its previous greatest value (reduced pro rata by any withdrawals of capital by an investor). Should the account drop in value, then it must exceed the previous greatest value before we can receive performance compensation again.

Neon Emerging Markets Fund Ltd.: 20% annually of the annual profits of Neon Liberty Emerging Markets Fund LP into which the client invests all of its assets indirectly attributable to each investor's capital account, subject to a high water mark (as described above). The client pays the performance based compensation at the Neon Liberty Emerging Markets Fund LP level only.

Neon Liberty Lorikeet Fund LP: 20% annually of the annual profits of the master fund into which the client invests all of its assets (Neon Liberty Lorikeet Markets Fund LP) indirectly attributable to each Class B investor's capital account and 15% annually of the master fund's net profits indirectly attributable to each Class C investor's capital account, subject to a high water mark (as described above) and a one-time "hurdle rate" of 5% applied to each capital contribution. Thus, the performance-based compensation only applies to the extent an investor's pro rata share of net profits measured on a cumulative basis net of any losses, for all fiscal years since admission exceeds 5%. Once the "hurdle rate" is achieved, the performance-based compensation applies at the close of such fiscal year to all net profits.

Neon Liberty Lorikeet Fund Ltd.: 20% annually of the annual profits of the master fund into which the client invests all of its assets (Neon Liberty Lorikeet Markets Fund LP) indirectly attributable to each Class Lorikeet E investor's shares and 15% annually of the master fund's net profits indirectly attributable to each Class Lorikeet F investor's shares, subject to a high water mark (as described above) and a one-time "hurdle rate" of 5% (as described above).

Neon Liberty Wei Ji Fund LP: 20% annually of the annual profits of the master fund into which the client invests substantially all of its assets (Neon Liberty Wei Ji Master Fund LP) indirectly attributable to each investor's capital account, subject to a high water mark (as described above) and an annual "hurdle rate" of 5% for all fiscal years since admission applied to each capital contribution. The performance-based compensation only applies to net profits in excess of the "hurdle rate."

Neon Liberty Wei Ji Fund Ltd.: 20% of the annual profits of the master fund into which the client invests substantially all of its assets (Neon Liberty Wei Ji Master Fund LP) indirectly attributable to each investor's capital account, subject to a high water mark (as described above) and an annual "hurdle rate" of 5% (as described above).

Japan Chickadee Fund, LP: 10% annually of the client's net profits attributable to each investor's capital account, subject to a high water mark (as described above).

- B. Management fees are deducted from fund assets quarterly in advance. We generally deduct performance-based compensation at the end of each fiscal year or when investors in a client make a withdrawal or redemption (but only on the amount withdrawn or redeemed). In the case of the Wei Ji funds, performance-based compensation is only taken upon distribution of capital.
- C. Each client bears all of its own organizational and operational expenses, including:
- legal fees (including settlement costs);
 - costs of any litigation or investigation involving the fund's activities;
 - filing fees and expenses;
 - accounting costs (including tax preparation and audit expenses);
 - administration costs;
 - director & officers and errors & omissions insurance;
 - costs associated with reporting and providing information to investors;
 - any governmental fees imposed on the fund;
 - withholding and/or transfer taxes; and

- printing and other out-of-pocket expenses.

Each client also bears all of its investment-related expenses, where applicable, such as:

- proxy expenses;
- interest and commitment fees on loans and debit balances;
- borrowing charges on securities sold short;
- custodial fees;
- brokerage commissions;
- trade processing fees, including clearing and settlement charges;
- costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged in connection with specific transactions;
- fees and profit-sharing payments due to unaffiliated advisors, sub-advisors, consultants and finders (however, we do not currently charge this expense to clients, nor is there intent to do so at this time); and
- other ordinary miscellaneous trade-related expenses.

For more information on brokerage transactions and costs, please see Section 9: Brokerage Practices.

Some of our fund clients also charge investors a withdrawal fee ranging from 0.6% to 10% of the amount withdrawn, which amount is shared among the remaining investors as a charge for early withdrawal and/or as a fee to cover the cost of withdrawal.

- D. Management fees are paid in advance. In an instance where an investor withdraws their investment other than at the end of a quarter, management fees may or may not be refunded to the investor at our discretion.
- E. Neither our firm nor any of our principals or employees receives any transaction-based compensation for the sale of securities or other investment products.

3. Performance-Based Fees

Our affiliates generally receive performance-based compensation from each client, as described in Section 2: Fees and Compensation. We do not currently have any clients that are not charged performance-based compensation. The existence of the performance-based compensation may create an incentive for us or our affiliates to make riskier or more speculative investments.

4. Types of Clients

We provide investment advisory services solely to privately pooled investment vehicles, including domestic and offshore investment funds. Investors in the funds include individuals, trusts, foundations, endowments, charitable organizations, pension plans and other unregistered funds.

Investment Requirements

To invest in any of the funds, we generally require a minimum investment of \$500,000, although at times we may waive this requirement. In addition, investors must satisfy all of the eligibility criteria set forth in our offering documents for the relevant fund. To comply with Securities and Exchange Commission regulation, we require that U.S. investors in our funds qualify as both accredited investors and qualified clients, each as defined in the offering documents of the relevant fund. We reserve the right to reject any subscriptions.

This brochure is not an offer to invest in our funds.

5. Method of Analysis, Investment Strategies and Risk of Loss

A. Method of Analysis:

We use a variety of sources for developing investment strategies and for recommending investments to be included in our clients' portfolios. Our internal research team analyzes companies and is a principle source of investment ideas. In addition, we use charting, fundamental, cyclical, and technical research, industry contacts and conferences and services such as those provided by Bloomberg, Reuters, Factset and various brokerage firms to perform our analysis.

Investment Strategy:

Neon Liberty Emerging Markets Fund LP and Neon Liberty Emerging Markets Fund Ltd.: We invest in securities of small and mid-capitalization issuers in countries generally considered to be relatively less developed or industrialized ("emerging/frontier markets") or in issuers organized in more developed markets that derive a large portion of their revenues or earnings from emerging/frontier markets on behalf of Neon Liberty Emerging Market Fund LP. The fund's private placement memorandum describes the fund's investment strategy in more detail. Effective January 1, 2012, Neon Liberty Emerging Markets Fund Ltd. invests all of its investible assets in Neon Liberty Emerging Markets Fund LP.

Neon Liberty Lorikeet Fund LP, Neon Liberty Lorikeet Fund Ltd. and NCLF Fund LP: We focus on securities of small and mid-capitalization companies primarily in countries generally considered to be relatively less developed or industrialized ("emerging/frontier markets"). The offering documents of the relevant fund describe the fund's investment strategy in more detail.

Neon Liberty Wei Ji Fund LP and Neon Liberty Wei Ji Fund Ltd.: We invest in emerging market securities generally trading at a discount to the value of their "net current assets." The offering documents of the relevant fund describe the fund's investment strategy in more detail.

Japan Chickadee Fund, LP: We invest in Japanese securities generally trading at a discount to their "net current assets." The fund's private placement memorandum describes the fund's investment strategy in more detail.

Investing in any securities involves a risk of loss that our clients and the investors in our clients must be prepared to bear.

B. Risk Factors:

The following is a description of the various strategies that we utilize in advising our clients and some important risks associated with each strategy. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in our investment strategies.

Off-Balance Sheet Market Risk. We enter into financial instrument transactions on behalf of our clients that may have off-balance-sheet market risk. Off-balance-sheet market risk exists when the maximum potential loss on a particular financial instrument is greater than the value of the financial instrument, as reflected in the client's statement of assets and liabilities. Market risk is substantially dependent upon the value of the underlying financial instruments and is affected by market forces such as volatility and changes in interest and foreign exchange rates.

Short Sales. We may, at times, maintain equity securities on both a long and short basis on behalf of our clients. While long positions represent the client's ownership of securities, short positions represent obligations of the client to deliver specified securities at a future time. By entering into short sales, the client bears the market risk of increases in value of the security sold short in excess of the proceeds received. To mitigate the risk of loss, we continuously mark to market and monitor long and short positions. Investment in securities and securities sold short are subject to margin requirements.

Credit Risk. The clients are subject to credit risk arising from transactions with counterparties and prime brokers related to securities purchases and sales. Credit risk is the amount of accounting loss that the client would incur if the counterparty fails to perform its obligations under the contractual terms. In the normal course of business, the clients enter into ISDA (International Swap Dealers Association) agreements with certain counterparties for over-the-counter derivative transactions. These agreements contain, among other conditions, events of default and termination events, and various covenants and representations.

Use of Swaps and Other Derivatives. We may use swaps and other forms of derivative contracts which may be volatile and speculative for tax planning and market access purposes. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset.

In general, a derivative contract typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security or currency (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. For example, because many derivatives are leveraged, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the Partnership to the possibility of a loss exceeding the original amount invested. Derivatives may also expose

investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom we contract on behalf of the clients for the purpose of making derivative investments (the “Counterparty”). In the event of the Counterparty’s default, the clients will only rank as an unsecured creditor and risk the loss of all or a portion of the amounts they are contractually entitled to receive. Many of the derivative contracts used by us will be privately negotiated in over-the-counter markets. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. These transactions are also expected to involve significant transaction costs.

Options. We may engage in transactions in equity options and warrants as part of the clients’ investment strategy. The clients could lose the expected benefit from an option transaction and may incur losses if the prices of the underlying instruments move in an unanticipated manner. The writer of a put or call option is exposed to the risk of loss if the market price of the underlying securities or currencies decline (in the case of a put option) or increases (in the case of a call option). The writer of a call option can never profit by more than the premium paid by the buyer but can lose an unlimited amount. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (paid to establish the short position) of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security.

Emerging Markets and Non-U.S. Securities. Investing in emerging market and other non-U.S. securities which are generally denominated in non-U.S. currencies involves certain risks and special considerations comprising both risks and opportunities not typically associated with investing in other more established economies or securities markets such as the securities of the United States Government or United States companies. Risks may include:

- the risk of nationalization or expropriation of assets or confiscatory taxation;
- social, economic and political uncertainty including war;
- dependence on exports and the corresponding importance of international trade;
- price fluctuations, less liquidity and smaller capitalization of securities markets;
- currency exchange rate fluctuations;
- rates of inflation (including hyperinflation);
- controls on foreign investment and limitations on repatriation of invested capital and on the Fund’s ability to exchange local currencies for U.S. dollars;
- governmental involvement in and control over the economies;
- governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies;
- differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers;
- less extensive regulation of the securities markets;
- longer settlement periods for securities transactions;
- less developed corporate laws regarding fiduciary duties of officer and directors and the protection of investors;

- certain considerations regarding the maintenance of Fund portfolio securities and cash with non-U.S. sub-custodians and securities depositories;
- small companies and unseasoned issuers' limited marketability may create volatility and difficulty buying or selling significant amounts without an unfavorable impact on prevailing prices;
- small companies and unseasoned issuers may have limited product lines, markets or financial resources and may lack management depth; and
- overall greater volatility.

Emerging/Frontier Market Inflation. Some countries in which we may invest on behalf of the clients have experienced substantial rates of inflation in recent years. Inflation and rapid fluctuations in inflation rates have had, and may in the future have, negative effects on the economies and securities markets of certain emerging economies. We cannot assure clients that inflation will not become a serious problem in the future and have an adverse impact on the clients' investments in these countries or the clients' returns from such investments.

Banking Risks. The banking and other financial systems of many emerging markets are not well developed or well regulated. Delays in transfers by banks may result as may liquidity crises and other problems arising as a result of the under-capitalization of the banking sector as a whole. A general banking crisis in any of the emerging market countries in which we invest would have a material adverse effect on the clients.

Volatility of Small Capitalization Companies. Investments in small capitalization stocks of companies involve greater risk than is customarily associated with investments in larger, more established companies. These companies often have sales and earnings growth rates that exceed those of large companies. These growth rates may in turn be reflected in more rapid share price appreciation. Smaller companies often have limited product lines, markets, or financial resources, and they may be dependent upon one-person management. These securities may have limited marketability and may be subject to more abrupt or erratic movements in price than securities of larger companies or the market averages in general.

Risks Relating to Limited Coverage of Small and Mid-Capitalization Companies. The profitability of a significant portion of the clients' portfolio depends to a great extent upon correctly assessing the future course of the price movements of small and mid-capitalization companies. These securities may have little or no coverage by third party research providers. We cannot assure clients that we will be able to predict accurately these price movements.

Leverage. We may borrow funds on behalf of the clients to make additional investments. Fluctuations in the market value of the client's portfolios will have a significant effect in relation to the clients' capital. The risk of loss and the possibility of gains are therefore increased. The amount of borrowings which the clients may have outstanding at any time may be large in relation to their capital. In addition, the level of interest rates generally, and the rates at which the clients can borrow in particular, is an expense of the clients and, therefore, affects the operating results of the clients.

- C. We do not recommend primarily any single type of security. Our clients' investments are rather diversified, yet we still encourage our investors to consider all of the risk factors we have

explained, as any investment can be risky and investors must be prepared to assume any potential loss.

6. Disciplinary Information

- A. Neither our firm, nor any of our directors, officers or principals has been involved in any criminal or civil actions in a domestic, foreign or military court.
- B. Neither our firm, nor any of our directors, officers or principals has been involved in any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.
- C. Neither our firm, nor any of our directors, officers or principals has been involved in any self-regulatory organization proceedings.

7. Other Financial Industry Activities and Affiliations

- A. Neither our firm, nor any of our directors, officers or principals is registered as a broker-dealer or a representative of a broker-dealer or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither our firm nor any of our directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above.
- C. Our firm and our affiliates, Neon Liberty Capital Management GP LLC and NLCM CF GP LLC , have sponsored a number of private investment funds we manage. In fact, Neon Liberty Capital Management GP LLC serves as the general partner of Neon Liberty Emerging Markets Fund LP, Neon Liberty Wei Ji Fund LP, Neon Liberty Lorikeet Fund LP and Japan Chickadee Fund, LP. NLCM CF GP LLC serves as the general partner of NLCF Fund LP. Our clients do not have independent management and we selected the directors of our offshore clients structured as corporations. Although this arrangement may give us heightened control and discretion over our clients, we manage any potential conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each client's offering documents.
- D. We do not recommend or select other investment advisers for our clients.

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

- A. To help ensure that each of our employees conducts his or her affairs, including personal securities transactions, in a manner to avoid serving his or her own personal interests ahead of the interests of one or more of our clients and to avoid conflicts of interest, we have adopted a

code of ethics pursuant to SEC Rule 204A-1, which includes policies and procedures governing personal trading activities of our employees. A copy of the code of ethics is available upon request to our clients and any investor or prospective investor in our clients. Please send a written request for the code of ethics to Neon Liberty Capital Management, LLC, 600 Third Avenue, 26th Floor, New York, NY, 10016, U.S.A., attn: Chief Compliance Officer.

- B. From time to time we may deem it appropriate to cross positions internally. There may be a conflict of interest because a cross trade is not independently negotiated. Generally, we engage in cross trading in the market using VWAP¹ to determine the value. We endeavor to achieve a reduced commission in such circumstances where commissions can be reduced.
- C. Our principals held certain positions individually prior to the formation of our firm that we later invested in on behalf of our clients. The principals have agreed to freeze transactions in those positions until 45 days after the clients exit those positions entirely. Since 2007, our principals and employees have not been permitted to trade in positions that enter the clients' strategies. The code of ethics requires all principals and employees to pre-clear all covered securities transactions, including initial public offerings and private placements, to report securities transactions on a quarterly basis and to disclose all holdings on an annual basis. Our principals and employees are prohibited from purchasing or selling, directly or indirectly, any security in which he or she has, or by reason of such transactions acquires, any direct or indirect beneficial ownership which would be harmful to any of the clients or which would serve the person's own personal interests ahead of the clients. Our personal trading policy prohibits partners and employees from trading in positions that enter our clients' strategies.
- D. Our principals and employees may not recommend to clients, or buy or sell securities for client accounts, at or about the same time that they buy or sell the same securities for their personal account.

9. Brokerage Practices

- A. In selecting broker-dealers and determining the reasonableness of their commissions for our clients' transactions, we seek to obtain best execution by taking into account any combination of the following qualitative and quantitative factors:
 - price;
 - opportunity for price improvement;
 - anonymity;
 - liquidity;
 - speed of execution;

¹ Volume Weighted Average Price (VWAP) is a measure of the average price a stock traded at over a particular time horizon (usually one day).

- quality of research;
- expertise with difficult securities;
- trading style and strategy;
- geographic location of the broker;
- the number of errors committed by each broker and access to new issues.

We are not required to weigh any of the above factors equally. We need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Since commission rates are negotiable globally, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

1. Research and Soft Dollar Benefits. We may receive research products or services from brokers that fall within the “safe harbor” established by Section 28(e) of the Securities Exchange Act of 1934 in connection with our allocation of portfolio brokerage. We are authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokers that provide us with research products or services or to pay higher commissions to brokers if we determine such prices or commissions are reasonable in relation to the overall services provided. Research products or services so received are in addition to and not in lieu of services required to be performed by us, and our fees charged to clients are not reduced as a consequence of the receipt of such supplemental research information. When we use client markups or markdowns to obtain research products and services, our firm receives a benefit because we do not have to produce or pay for the research products and services. The availability of these benefits may influence us to select one broker-dealer rather than another to perform services for clients, based on our interest in receiving the products and services instead of on our clients’ interest in receiving the best execution prices. Obtaining these benefits may cause our clients to pay higher fees than those charged by other brokers. While we do not aim to allocate soft dollar benefits to each client account in proportion to the soft dollar credits each client generates, the services received from our use of soft dollars generally benefit all of our clients. Nonetheless, while our compliance manual permits soft dollars transactions which fall within the “safe harbor,” we do not currently utilize soft dollars nor is there intent to do so at this time.
2. Brokerage for Client Referrals. We do not receive client referrals from brokers.
3. Directed Brokerage. We do not have any directed brokerage arrangements in place.
- B. Trade Aggregation and Allocation. Sometimes we decide that some or all of our clients should participate in the same investment opportunity. In this case, we aggregate the purchase or sale of the securities for the various client accounts. We then allocate the securities purchased (or sold) among our participating clients so that each client receives the same terms. We also seek to execute orders for all participating clients on an equitable basis. If we decide to invest at the same time for more than one of our clients, we place combined orders for all these accounts simultaneously, and, if all these orders are not filled at the same price, we average the prices paid where applicable. Similarly, if an order on behalf of more than one client account cannot be fully executed under current market conditions, we allocate the trade among the different client accounts on a pro rata basis. Generally, clients can benefit when we aggregate trades

because we get volume discounts on execution costs. On the other hand, situations may occur where one client could be disadvantaged because of the investment activities we conduct for other clients.

10. Review of Accounts

- A. The portfolio manager for each client account reviews the relevant client accounts, together with the other members of the investment team for each client account, generally on a daily basis and at least on a weekly basis. The number of reviewers will vary, depending on which account is being reviewed, from two to four persons. Reviews are conducted in order to ensure the suitability of the investments used to meet the policy and investment objectives of the particular client account. Alejandro Baez-Sacasa and Satyen Mehta, the portfolio managers, and Zev Shiffman, the chief compliance officer, review the clients' accounts regularly to ensure that we are observing each client's investment strategy and objective.
- B. Factors that may trigger a review include the receipt of periodic performance reports, changes in economic conditions, changes in general market conditions, changes in key personnel, specific world events that affect financial markets and ongoing qualitative and quantitative assessments made by us.
- C. We have engaged an outside administrator to prepare monthly unaudited financial statements for each client and to provide monthly unaudited performance estimates to each client's investors. Audited financial reports prepared by independent auditors are distributed to each client's investors on an annual basis. Additionally, we may provide written information that we determine appropriate concerning valuations, profits, gains and losses more frequently than monthly.

11. Client Referrals and Other Compensation

- A. Our firm does not, nor do any principals or employees of our firm, receive any economic benefit from non-clients for providing advisory services to our client.
- B. While our compliance manual permits entering into arrangements with a third party to refer investors for a fee so long as all arrangements are executed in accordance with Rule 206(4)-3 of the Advisers Act, we currently have no such arrangements in place, nor do we intend to do so at this time.

12. Custody

While it is our practice not to accept or maintain physical possession of our client's assets, we are deemed to have custody of its assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, because we have the authority to access our client's funds and deduct fees and expenses from its accounts.

In order to comply with Rule 206(4)-2, we utilize the services of a bank or a qualified custodian (as defined under Rule 206(4)-2) to hold all of our client's assets. In accordance with Rule 206(4)-2, we also (1) engage an outside auditor to audit our clients at the end of each fiscal year and (2) distribute the results of the audit in audited financial statements that are prepared in accordance with generally accepted accounting principles to all investors in the funds within 120 days after the end of the fiscal year. Finally, we receive monthly account statements from the prime broker and all custodial relationships on behalf of our clients, which we compare with our own records, as does our administrator in preparation of each client's monthly unaudited financial statements.

13. Investment Discretion

Scope of Authority

Our firm accepts discretionary authority to manage our clients' securities accounts. This means that we have the authority to determine, without obtaining specific consent from our clients or their investors, which securities to buy or sell and the amount of securities to buy or sell. Despite this broad authority, we are committed to adhering to the investment strategy and program set forth in each client's offering document.

Procedures for Assuming Authority

Before accepting their subscriptions for interests, we provide all potential investors in our clients with an offering document, which sets forth in detail the relevant client's investment strategy and program. By completing our subscription documents to acquire an interest in one of our clients, investors give us complete authority to manage their investments in accordance with the offering document received.

14. Voting Client Securities

- A. Our firm has the authority to vote proxies on behalf of our clients. It is our policy to attempt to vote all proxies and to do so in accordance with the goal of maximizing the long-term value of our clients' investments.

If any conflict of interest arises in connection with voting our clients' securities, we observe the following guidelines:

- We normally vote to maintain or create a majority of independent directors on a board of directors as a whole as well as on its audit, compensation and nominating committees.
- We normally vote to limit an auditor's engagement solely to the provision of tax and audit work.
- We vote to limit the total compensation of management to a level that is appropriate with its performance.
- We normally vote against poison pills, different classes of stock and other methods designed to insulate management from the desires of their shareholders. (A poison pill is a strategy that corporations use to discourage hostile takeovers by making their stock appear less attractive to potential acquirers.)

- We normally vote in accordance with actions taken to maximize the company's long-term value without regard to "social responsibility" issues, except to the extent that those issues may affect the long-term value of the business.

Neither our clients, nor investors in our clients, can direct us to vote client proxies in a certain manner. Upon request, our clients' investors can obtain (1) a copy of our proxy voting policies and procedures and (2) information concerning proxy votes on the client's behalf.

We maintain the following records relating to proxy voting in our office:

- Copies of our proxy voting policies and procedures and any amendments.
- Proxy statements received for client securities.
- Records of proxy votes cast on behalf of our clients.

- B. We have the authority to vote all our clients' proxies and receive all of their proxies and similar solicitations.

15. Financial Information

- A. We do not require nor do we solicit prepayment of more than \$1,200 of fees per client, six months or more in advance.
- B. We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.
- C. We have never been the subject of a bankruptcy petition.

Part 2B of Form ADV: Brochure Supplement

BROCHURE SUPPLEMENT :

Satyen Mehta

Alejandro Baez-Sacasa

Neon Liberty Capital Management LLC
600 Third Avenue, 26th Floor
New York, NY 10016
Direct: (212) 983-3010
Smehta@neoninvestment.com

Date Prepared:

March 2012

This brochure supplement provides information about Satyen Mehta and Alejandro Baez-Sacasa that supplements the Neon Liberty Capital Management LLC brochure. Please contact Alan Niewald at (212) 983-4706 if you did not receive the Neon Liberty Capital Management LLC brochure or if you have any questions about the contents of this attachment.

Additional information about Satyen Mehta and Alejandro Baez-Sacasa is available on the SEC's website at www.advisorinfo.sec.gov.

Satyen Mehta

1. Educational Background and Experiences

- DOB: 1960
- Education
 - Oxford University, B.A.
 - London Business School, M.B.A.
- Business Background
 - Mr. Mehta is a co-founder and principal of Neon Liberty Capital Management LLC, where he has been since 2002. Mr. Mehta currently serves as one of Neon Liberty Capital Management LLC's portfolio managers, focusing on Africa, South/East Asia and Eastern Europe. Prior to co-founding Neon Liberty Capital Management LLC in 2002, Mr. Mehta was a Managing Director in the JP Morgan Emerging Market Equity Group. Mr. Mehta was the group's CIO responsible for investment strategy and country allocation process from its launch in 1990 until 2002.

2. Disciplinary

Satyen Mehta has not been, and currently is not, involved in any legal or disciplinary events.

3. Other Business Activities

Satyen Mehta is not actively engaged in any investment-related business or occupation, other than the activities of Neon Liberty Capital Management LLC and its affiliates as discussed in Neon Liberty Capital Management LLC's brochure and this brochure supplement.

Satyen Mehta is not actively engaged in any business or occupation that provides him with a substantial source of income or involves a substantial amount of his time, other than his participation in the activities of Neon Liberty Capital Management LLC and its affiliates as discussed in Neon Liberty Capital Management LLC's brochure and this brochure supplement.

4. Additional Compensation

Satyen Mehta does not receive any economic benefit from a non-client for providing advisory services.

5. Supervision

Satyen Mehta, along with Alejandro Baez-Sacasa, is the principal portfolio manager of the firm. Before providing investment advice to clients and implementing business decision, the portfolio managers meet and cross monitor the investment advice. The portfolio managers are supervised by the firm's Chief Compliance Officer, Zev Shiffman. You can contact Mr. Shiffman at (212) 687-1948.

Alejandro Baez-Sacasa

1. Educational Background and Experiences

- D.O.B: 1957
- Education
 - Cornell University, B.S.
 - Oxford University, M.S.
- Business Background
 - Mr. Baez-Sacasa is a co-founder and principal of NEON, where he has been since 2002. Prior to co-founding Neon Liberty Capital Management LLC, Mr. Baez-Sacasa was a Vice President and portfolio manager at the JP Morgan Emerging Market Equity Group from 1995 to 2002. Mr. Baez-Sacasa was responsible for the team's investment strategy in the Latin American and Eastern European/Middle East and African regions.

2. Disciplinary

Alejandro Baez-Sacasa has not been, and currently is not, involved in any legal or disciplinary events.

3. Other Business Activities

Alejandro Baez-Sacasa is not actively engaged in any investment-related business or occupation, other than the activities of Neon Liberty Capital Management LLC and its affiliates as discussed in Neon Liberty Capital Management LLC's brochure and this brochure supplement.

Alejandro Baez-Sacasa is not actively engaged in any business or occupation that provides him with a substantial source of income or involves a substantial amount of his time, other than his participation in the activities of Neon Liberty Capital Management LLC and its affiliates as discussed in Neon Liberty Capital Management LLC's brochure and this brochure supplement.

4. Additional Compensation

Alejandro Baez-Sacasa does not receive any economic benefit from a non-client for providing advisory services.

5. Supervision

Alejandro Baez-Sacasa, along with Satyen Mehta, is the principal portfolio manager of the firm. Before providing investment advice to clients and implementing business decision, the portfolio managers meet and cross monitor the investment advice. The portfolio managers are supervised by the firm's Chief Compliance Officer, Zev Shiffman. You can contact Mr. Shiffman at (212) 687-1948.