



Part 2A of Form ADV

Firm Brochure

Jayhawk Capital Management, L.L.C.

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June 26, 2014

This Brochure provides information about the qualifications and business practices of Jayhawk Capital Management, L.L.C. (“Jayhawk Capital”). If you have any questions about the contents of this Brochure, please contact Michael D. Schmitz at (775) 200-1800 or mike.schmitz@jayhawkcapi.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about Jayhawk Capital is also available on the SEC website at www.adviserinfo.sec.gov.

2. MATERIAL CHANGES

This Brochure dated June 26, 2014 is the first version Jayhawk Capital has filed in connection with its registration with the SEC and therefore this section does not apply.

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4. ADVISORY BUSINESS

Jayhawk Capital was organized in Delaware in September 1995 and provides discretionary investment advice and administrative and ministerial support to pooled private investment vehicles, typically organized as Delaware limited partnerships or limited liability companies (the “Funds”). Jayhawk Capital also manages on a discretionary basis private funds whose investors are limited to eligible employees, their family members, and former employees (which are referred to in this Brochure as the “employee-only funds”). Jayhawk Capital currently does not manage any separate accounts.

Kent McCarthy is the managing member and the principal owner of Jayhawk Capital.

Jayhawk Capital or its affiliates serve as the respective general partners or managers of the Funds and employee-only funds (as applicable) (collectively the “GPs”). Each of the GPs is a related person of Jayhawk Capital and is under common control with Jayhawk Capital.

The current Funds are:

- 1) Jayhawk Private Equity Fund, L.P. (“JPEF”), a Delaware limited partnership;
- 2) Jayhawk Private Equity Co-Invest Fund, L.P. (“JPECF”), a Delaware limited partnership;
- 3) Jayhawk Private Equity Fund II, L.P. (“JPEF II”), a Delaware limited partnership;
- 4) JHAB Fund, LLC (“JHAB”), a Delaware limited liability company;
- 5) JHAB Fund II, LLC (“JHAB II”), a Delaware limited liability company;
- 6) JCF GM LF, L.P. (“JCFGMLF”), a Delaware limited partnership;
- 7) JCF CO LF, L.P. (“JCFCOLF”), a Delaware limited partnership; and
- 8) JCF BR LF, L.P. (“JCFBRLF”), a Delaware limited partnership

Additional information about the Funds’ investment strategy and principal investment objective is included below in Section 8.A of this Brochure.

As of December 31, 2013, Jayhawk Capital has regulatory assets under management (as defined by the SEC) of approximately \$228,200,000. All Funds are managed on a discretionary basis.

5. FEES AND COMPENSATION

The GPs are compensated through the payment of management fees and performance-based compensation by the investors in the Funds (“Investors”). Jayhawk Capital may in its sole discretion elect to waive or reduce this compensation with respect to investors who are affiliated with Jayhawk Capital. The specific terms relating to the fees paid by each Fund are summarized below and described more fully in each Funds’ governing documents.

A. Management Fee

The GPs receive management fees from JPEF payable semi-annually in advance in an amount equal to (i) during the Investment Period, 2.5% per annum of the capital commitment of the Investors, and (ii) thereafter, 2.5% per annum of the aggregate capital commitments of the Investors funded in respect of Investments that have not been the subject of a disposition or completely written off. The management fee shall be reduced by any consulting, advisory, break-up or other similar fees received by the GPs in connection with portfolio investments of JPEF.

The GPs receive management fees from JPEF II payable quarterly in advance in an amount equal to (i) during the Investment Period, 2.5% per annum of the capital commitment of the Investors, and (ii) thereafter, 2.5% per annum of the aggregate capital commitments of the Investors funded in respect of Investments that have not been the subject of a disposition or completely written off. The management fee shall be reduced by any consulting, advisory, break-up or other similar fees received by the GPs in connection with portfolio investments of JPEF II.

The GPs receive management fees from JCFGMLF, JCFCOLF, and JCFBRLF payable quarterly in advance in an amount equal to 2.0% per annum of the net fair market value of the Fund's assets.

The GPs do not receive management fees from JPECF, JHAB, JHAB II or the employee-only funds.

B. Carried Interest Allocation

In addition, as described in further detail in Section 6 below, the GPs receive a performance allocation (commonly referred to as "carried interest") in the form of a portion of the Funds' investment profits (generally 20%) and is generally paid to the relevant GP when earned.

With respect to JPEF and JPEF II, the carried interest is earned once the capital contributions used to make all disposed of or written-down investments or used to pay the Funds' expenses are returned to the Investors.

With respect to JHAB and JHAB II, the carried interest is earned once all capital contributions are returned to the Investors.

The carried interest allocations with respect to JPEF, JPEF II, and JHAB are also subject to an 8% hurdle rate whereby Investors are entitled to receive an 8% return on the capital contributions that have been returned prior to any carried interest allocations to the GPs. The GPs then receive 100% of the distribution amounts above 8% until they have received 20% of all distributions above the capital contributions that have been returned. After that, the GPs receive their typical 20% carried interest allocation.

The GPs do not receive carried interest allocations from JPECF, JCFGMLF, JCFCOLF, JCFBRLF or the employee-only funds.

C. Other Fees and Expenses

In addition to the management fee and incentive allocation, the Funds bear their own expenses as described more fully in each Fund's offering documents. These expenses include, for example, custodian fees, brokerage fees and other transaction costs; research services and other third-party research-related expenses; travel expenses; accounting, audit and tax preparation expenses; regulatory expenses; insurance expenses; entity-level taxes; organizational expenses; and fees paid to third-party service providers, such as prime brokers, lawyers, accountants and consultants. Additional information about brokerage is provided in Section 12 of this Brochure.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Section 5 above, the GPs for JPEF, JPEF II, JHAB and JHAB II receive performance-based compensation from the respective Fund for which each serves as general partner. These Funds allocate a portion of their investment profits (generally 20%) to their GPs, pursuant to the applicable governing documents of each Fund (such profit allocation is commonly referred to as a "carried interest"). JPECF, JCFGMLF, JCFCOLF, JCFBRLF and the employee-only funds do not pay performance-based compensation.

The fact that the GPs may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for the GPs to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. Fund Investors are provided with clear disclosure in the relevant governing documents and private placement memoranda as to how performance-based compensation is charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment. In addition, the carried interest is applied only upon distribution of profits to the Investors, such that the economic interests of the GPs are tied directly to the Investors' ability to achieve liquidity. In the case of JPEF and JPEF II, where carried interest may be paid out before full return of capital to Investors, there are "clawback" provisions which require the respective GP to repay any previously taken carried interest in excess of the amount ultimately earned.

In addition, from time to time, more than one Fund may participate in a given portfolio investment. Where the performance of one Fund has met the required performance threshold for its GP to receive amounts in respect of its carried interest while another Fund has not (or a Fund which pays no performance fee is participating), Jayhawk Capital may have an incentive to allocate particularly attractive investment opportunities to the Fund that is expected to generate carried interest or to permit that Fund to exit investments at a time that would maximize its returns, potentially to the detriment of the other Fund or Funds.

Jayhawk Capital and its affiliated GPs seek to ensure that all investments made by the Funds are fairly and equitably allocated. Jayhawk Capital does not take the potential for performance-based compensation into account when allocating investment opportunities among Funds. If Jayhawk Capital determines that it would be appropriate for more than one Fund to participate in an investment opportunity, Jayhawk Capital will seek to allocate the investment opportunity on a fair and equitable basis and in a manner that is permissible under the respective Funds' governing documents, and without regard to the performance-based compensation which may be payable by a particular Fund.

Additional information about the allocation of investment opportunities, including among the

Funds and the employee-only funds, is included in Section 12.E of this Brochure.

7. TYPES OF CLIENTS

Jayhawk Capital provides investment advisory services solely to pooled investment vehicles as described in Section 4 above. The Funds invest capital contributed to them by one or more high net worth individuals, trusts, estates, limited partnerships, limited liability companies or other entities. Admission to the Funds will not be open to the general public. Interests are sold only to persons that are “accredited investors” (as defined in Regulation D under the Securities Act), “qualified clients” under Rule 205-3 of the Advisers Act, and “qualified purchasers” as defined in section 2(a)(51)(A) of the Investment Company Act. The minimum capital commitment of a Fund Investor is \$1,000,000, subject to waiver by the respective GP.

Investors in JPEF, JPECF, JPEF II, JHAB and JHAB II are generally not permitted to withdraw from a Fund prior to such Fund’s dissolution, and may not transfer any of their interest, rights or obligations under the Fund without the prior written consent of the respective GP.

Investors in JCFGMLF, JCFCOLF and JCFBRLF generally are permitted to withdraw their investment at the end of each fiscal quarter on in-kind basis (for JCFGMLF and JCFCOLF) or discounted cash value (for JCFBRLF). This ability may be suspended from time to time at the discretion of Jayhawk Capital.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

It is critical that Investors refer to the relevant offering memorandum, subscription agreement, and other governing documents for a complete understanding of the material risks involved in an investment in the Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.

An investment in the Funds may be deemed speculative and is not intended as a complete investment program. Investing in the securities markets in general and in the Funds in particular involves significant risk. Investments in the Funds are appropriate for only experienced and sophisticated persons who meet certain eligibility criteria, are able to bear the risk of loss of some or all of an investment, and have a limited need for liquidity.

A. Methods of Analysis and Investment Strategies

As explained more fully in each Fund’s offering documents, Jayhawk Capital’s investment strategy for the Funds is based upon a fundamental, research-intensive, security selection process. While attention is paid to general macroeconomic conditions, the firm believes that the underlying stock selection process is the critical determinant to achieving investment results.

Also as explained more fully in each Fund’s offering documents, the Funds’ principal investment objective is to maximize shareholder returns primarily through investments in equity securities, including derivatives and other equity-related instruments of companies that are organized or have substantial sales or operations in China. In circumstances deemed appropriate by Jayhawk Capital, the Funds may also make investments in fixed-income or other securities.

B. Risk of Loss

As a general matter, investing in securities involves a risk of loss that investors should be prepared to bear. Moreover, and as explained more fully in each Fund's offering documents, the specialized investment program of each Fund involves a substantial degree of risk. Examples of such risks include, but are not limited to:

- People's Republic of China ("PRC") economic and political policies, which are subject to a greater extent of government oversight and control than most countries belonging to the Organization for Economic Cooperation and Development ("OECD");
- PRC currency risk and foreign exchange control could adversely impact the results of investments in both transacting trades and their translation to U.S. Dollar terms;
- PRC legal system operation and enforcement differs substantially from that of OECD countries and can produce a higher than normal degree of uncertainty as to the outcome of any litigation;
- The expectation of substantial investments in securities of non-U.S. companies, including emerging markets, which involve liquidity, political and other types of risks not usually associated with investing in securities of U.S. companies;
- Trading of stocks in non-U.S. markets, which may have less regulation and monitoring of investors, brokers and other participants and have less publicly available information available about the stocks;
- Investments may be in smaller capitalization stocks, which can be subject to a greater degree of price volatility and illiquidity;
- Counterparty risks, including settlement and default risks, when effecting transactions in "over-the-counter" or "interdealer" markets;
- Investments may be in private or otherwise restricted securities which can be difficult to value and may be distributed in-kind to Investors;
- Funds are often concentrated in a small number of investments (sometimes only one);
- Reliance on management team of Jayhawk Capital;
- Reliance on investment assumptions made by Jayhawk Capital, including those about the investments and overall general economic projections;
- Conflicts of interest, including those between the various Funds; and
- Legal, tax and regulatory changes that are likely to occur during the term of the Funds and that may adversely affect the Funds.

These and other investment risks are described more fully in the Funds' offering documents.

9. DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Jayhawk Capital's advisory business or the integrity of Jayhawk Capital's management.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Jayhawk Capital serves as investment adviser to the Funds and employee-only funds, which are pooled investment vehicles controlled by Jayhawk Capital or its affiliates. As described in Section 4 above, the GPs are related persons of Jayhawk Capital that serve as the respective general partners and managers of the Funds and in connection therewith maintain investments in such Funds and provide investment management and administrative services to such Funds. As described in Sections 5 and 6 above, certain of the GPs are entitled to receive management and performance fees from the Funds, which may in certain circumstances create a conflict of interest, as described in Section 6 above.

Jayhawk Capital and its personnel will devote to the Funds as much time as deemed reasonably necessary and appropriate. By the terms of the Funds' operating documents, Jayhawk Capital is not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of Jayhawk Capital. These activities could be viewed as creating a conflict of interest in that the time and effort of Jayhawk Capital and its personnel will not be devoted exclusively to the business of the Funds, but will be allocated between the business of the Funds and the management of the monies of other advisees of Jayhawk Capital and its personnel.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Jayhawk Capital's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to Jayhawk Capital's "Access Persons." Access Persons include, generally, any partner, officer or director of Jayhawk Capital and any employee or other supervised person of Jayhawk Capital who, in relation to the Funds, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All Jayhawk Capital employees and certain other individuals are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Jayhawk Capital's status as a fiduciary and requires Access Persons to place the interests of Funds above their own interests and the interests of Jayhawk Capital. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Jayhawk Capital's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide Jayhawk Capital's Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Jayhawk Capital's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

In addition, the Code seeks to ensure the protection of nonpublic information about the activities of the Funds. Investors or prospective Investors may obtain a copy of the Code by contacting Jayhawk Capital.

As explained in Section 10 above, affiliates of Jayhawk Capital serve as the general partners of the Funds and also commit capital to the Funds. As a result, every investment made by a Fund involves a purchase of securities whereby certain related persons of Jayhawk Capital acquire an indirect interest in such securities. Jayhawk Capital's principals, employees and other Access Persons may also invest in the Funds directly or indirectly through investments in the GPs. The fact that the GPs and other related persons have financial ownership interests in the Funds creates a potential conflict in that it could cause Jayhawk Capital and its affiliates to make different investment decisions than if such parties did not have such financial ownership interests. However, Jayhawk Capital believes that these financial interests align Jayhawk Capital's and the GPs' incentives with the other investors of the Funds.

As discussed further below, the Code places restrictions on the ability of Jayhawk Capital personnel to hold interests in Advisory Client portfolio companies outside of their indirect interests through GPs or through their investments directly in Funds. In general, such investments are not permitted, and in all events require approval of Jayhawk Capital's Chief Compliance Officer, which approval would only be granted once any associated conflicts of interest are appropriately addressed and remedied.

As described in Section 5 above, Jayhawk Capital or its related persons may receive certain consulting, advisory, break-up or other similar fees in connection with portfolio investments of the Funds as compensation for financial advisory and similar services provided by them to the Funds' portfolio companies. Payment of such fees may create a conflict of interest because it could create an incentive for Jayhawk Capital or the GPs to cause a Fund to invest its capital in a company that will pay such a fee to Jayhawk Capital or its affiliates, however Jayhawk Capital believes this risk is mitigated since these fees reduce the management fees the Funds would otherwise pay to Jayhawk Capital or the GPs.

As described in Sections 5 and 6 above, Jayhawk Capital or its affiliates receive management and performance-based compensation from the Funds. The management fees are payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of Jayhawk Capital or its affiliates to raise or otherwise increase assets under management to a higher level than would be the case if Jayhawk Capital or its affiliates were receiving a lower or no management fee. The receipt of performance-based compensation may create an incentive for Jayhawk Capital or its affiliates to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. Please refer to Section 12 below for additional information relating to Jayhawk Capital's policies and procedures for allocating investment opportunities among

Funds.

In addition to the foregoing, Jayhawk Capital addresses these and other potential conflicts through regular monitoring of the Advisory Client portfolios for consistency with their applicable objectives, strategies, and target capacity. The Code provides guidelines for identifying and addressing conflicts of interest and requires Access Persons to place the interests of Funds and investors over their own or those of Jayhawk Capital, and all Access Persons are required to provide written acknowledgement of their receipt of the Code.

The Code places restrictions on the ability of Jayhawk Capital personnel to invest directly in portfolio companies outside of their indirect interests through GPs or through their direct investments in Funds. Such investments could create a conflict of interest because they could give Jayhawk Capital or the GPs an incentive to cause an Advisory Client to invest its capital in a company in which it would not otherwise invest, or to dispose of its investment in a company at a time or for a price which it would not otherwise recommend absent such related person's ownership of such securities.

In general, such investments are not permitted, and in all events require approval of Jayhawk Capital's Chief Compliance Officer, which approval would only be granted once any associated conflicts of interest are adequately addressed and remedied. In particular, the related person would be required to demonstrate to the Chief Compliance Officer that such person's investment in the portfolio company will in no way influence Jayhawk Capital's decision to acquire or dispose of the securities of such investment, nor the price or timing with which such acquisition or disposition takes place. Jayhawk Capital believes that these restrictions are sufficient to mitigate any conflicts of interest associated with a related person's investment in an Advisory Client portfolio company.

Jayhawk Capital enforces the foregoing policy and manages the potential conflicts of interest inherent in Access Person personal trading by enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. Jayhawk Capital requires that Access Persons pre-clear certain transactions with the Chief Compliance Officer, and pre-clearance decisions are based on a number of factors, including whether any of the Funds hold or are contemplating an investment in the given security.

Jayhawk Capital maintains a "Restricted List" with the names of issuers of securities about which Jayhawk Capital (or its Access Persons) or a Fund holds an interest or otherwise has learned material, non-public information. Access Persons are prohibited from trading securities on the Restricted List (or any other to which the material non-public information relates) without prior written approval of the Chief Compliance Officer.

In addition, Jayhawk Capital receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer also reviews Access Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

12. BROKERAGE PRACTICES

A. General Practices

Jayhawk Capital has complete discretion in deciding what brokers and dealers to use for the execution of securities transactions for the Funds and in negotiating the rates of compensation the Funds pay. Securities transactions made by Jayhawk Capital on behalf of the Funds generate a substantial amount of brokerage commissions and other compensation, all of which the Funds, and not Jayhawk Capital, are obligated to pay. In addition to using brokers as “agents” and paying commissions, Jayhawk Capital may buy or sell securities on behalf of the Funds directly from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. Jayhawk Capital also may utilize the services of one or more brokers who specialize in providing trading services and such broker’s commissions will be added to the commissions charged to the Funds by the executing broker.

B. Broker-Dealer Selection Criteria

In choosing brokers and dealers to effect portfolio transactions for the Funds, Jayhawk Capital seeks to obtain “best execution” for the Funds’ transactions. In evaluating whether a broker-dealer will provide best execution, Jayhawk Capital may consider various factors, including price discovery, commission rates, reliability, financial responsibility, ability to manage market impact, strength of the broker-dealer and ability of the broker-dealer to efficiently execute transactions, commitment of capital and the broker-dealer’s provision or payment of the costs of research and other services or property which are of benefit to the Funds and Jayhawk Capital. Execution ability includes performance criteria such as minimization of total trading costs, errors, incomplete trades and market impact, speed, advanced technology and infrastructure, and maximization of price improvement. Jayhawk Capital, however, does not necessarily consider each factor in every trade. In addition, and subject to its obligation to seek best execution, Jayhawk Capital is not required to consider any particular criteria, need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Jayhawk Capital maintains policies and procedures to review the quality of executions, including periodic reviews by the firm’s investment and compliance professionals.

C. Use of Soft Dollars

Where, considering all relevant factors, Jayhawk Capital believes a broker-dealer can provide best execution, the firm may select a broker-dealer in recognition of the value of various research or other products or services, beyond transaction execution, that the broker-dealer provides to the Funds or the firm. Further, the amount of compensation the Funds pay to such broker-dealer may be higher than what another, equally capable broker-dealer might charge. The use of commissions or “soft dollars” (including dealer markups and markdowns arising in connection with certain riskless principal transactions) for research and research-related services will come within the safe harbor for the use of soft dollars provided under Section 28(e) of the Securities Exchange Act of 1934, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e).

Consistent with Section 28(e), research products or services obtained with “soft dollars” generated by a Fund may be used by Jayhawk Capital to service one or more other Funds. Nonetheless, Jayhawk Capital believes that such investment information provides each Fund with benefits by supplementing the research otherwise available to such Fund.

Generally, research services provided by broker-dealers in exchange for soft dollars may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists, academicians, and government representatives. In some cases, research services are generated by third parties but are provided to Jayhawk Capital by or through broker-dealers.

Where a product or service obtained with soft dollars provides both research and non-research assistance to Jayhawk Capital (i.e., a “mixed use” item), Jayhawk Capital will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Jayhawk Capital’s allocation of the costs of such benefits and services between those that primarily benefit Jayhawk Capital and those that primarily benefit the Funds.

D. Allocation and Aggregation of Transactions

It is the policy of Jayhawk Capital to allocate investment opportunities among Funds fairly and equitably over time. This means that such opportunities will generally be allocated among those Funds for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations (a) whether the risk-return profile of the proposed investment is consistent with the Fund’s objectives; (b) the potential for the proposed investment to create an imbalance in the Fund’s portfolio; (c) liquidity requirements; (d) potentially adverse tax consequences; (e) regulatory restrictions that would or could limit an account’s ability to participate in a proposed investment; and (f) the need to re-size risk in a Fund’s portfolio. In the event of a partial fill, allocations may be modified on a basis that Jayhawk Capital deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. The foregoing considerations may result in allocations among Funds on other than a pari passu basis.

If the purchase or sale of a security is appropriate for multiple Funds, Jayhawk Capital may, but is not obligated to, purchase or sell such a security on behalf of such Funds with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When aggregating orders, Jayhawk Capital will treat all Funds in a fair and equitable manner. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Fund generally will receive the average price. Transaction costs of aggregated orders generally allocated pro rata based on the size of each Fund’s participation in the order as determined by Jayhawk Capital.

E. Trade Errors

The Funds may on occasion experience errors with respect to trades made on their behalf. Trade errors may include, for example, (i) the placement of orders (either purchases or sales) in excess of (or less than) the amount of securities the Fund intended to trade; (ii) the sale of a financial

instrument when it should have been purchased; (iii) the purchase of a financial instrument when it should have been sold; (iv) the purchase or sale of the wrong financial instrument; (v) the purchase or sale of a financial instrument contrary to regulatory restrictions or Fund investment guidelines or restrictions; (vi) incorrect allocations of a financial instrument; (vii) keystroke errors that occur when entering trades into an electronic trading system; and (viii) typographical or drafting errors related to derivatives contracts or similar agreements. Trade errors may result in losses or gains.

Jayhawk Capital will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a counterparty, such as a broker-dealer, Jayhawk Capital will seek to recover any losses associated with such error from the counterparty, but may not be able to do so. Soft dollars may not be used, either directly or indirectly, to correct trade errors. Any amounts recovered will be for the benefit of the applicable Fund. Pursuant to the Funds' governing documents, the Funds (and not Jayhawk Capital) will generally benefit from any gains resulting from trade errors and will generally be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent Jayhawk Capital's breach of the standard of care set forth in the Funds' governing documents.

13. REVIEW OF ACCOUNTS

The firm's investment professionals, led by the portfolio manager and including a team of analysts, review the Funds' portfolios on a frequent and regular basis. The investment professionals engage in a collaborative effort to source, research and size investments. Aspects of this process include in-depth, value-added research, regular investment staff meetings, and discussions regarding the merits of a particular investment idea and how it fits into the portfolios.

Investors in the Funds receive a written quarterly statement from Jayhawk Capital, documenting the change in their capital account balance for the quarter. In addition, certain investors or prospective investors may request additional information and reports. Other investors may not receive some or all of the items provided in response to such requests.

Jayhawk Capital also issues annual audited financial statements to investors for their respective Fund and, if applicable, the information necessary for investors to complete their annual federal income tax returns.

14. CLIENT REFERRALS AND OTHER COMPENSATION

Jayhawk Capital does not compensate any person for client or investor referrals. Jayhawk Capital may in the future enter into arrangements with placement agents to solicit investors in the Funds. If Jayhawk Capital does engage placement agents, they would be subject to a conflict of interest because they will be compensated by Jayhawk Capital in connection with their solicitation activities. Investors solicited by any such placement agents will be advised of, and asked to consent to, any compensation arrangements relating to their solicitation.

15. CUSTODY

Jayhawk Capital is deemed to have custody of the Funds' assets under the applicable Advisers

Act rule. In accordance with that rule, Jayhawk Capital distributes to investors on an annual basis audited financial statements prepared in accordance with generally accepted accounting principles within 120 days of each Fund's fiscal year end. The financial statements are prepared by an independent public accountant that is registered with the Public Company Accounting Oversight Board. Investors should carefully review the annual financial statements and compare the statements with information about their respective Fund that has been provided by Jayhawk Capital.

16. INVESTMENT DISCRETION

Jayhawk Capital manages the Funds on a fully discretionary basis. Investors are not permitted to place any limitations on this authority.

17. VOTING CLIENT SECURITIES

As part of its discretionary management of the Funds' portfolios, Jayhawk Capital also has the authority to vote the Funds' securities, and clients do not have the ability to direct Jayhawk Capital to vote in any particular solicitation.

Jayhawk Capital has adopted proxy voting policies and procedures aimed at achieving the firm's overall goal of voting proxies in the best interest of the Funds. Jayhawk Capital's general policy is to vote proxies in accordance with the recommendation of a company's management. Jayhawk Capital, however, may vote opposite a recommendation in certain circumstances, particularly in matters deemed "non-routine," such as matters that (i) may measurably change the structure, management control, or operation of the company; (ii) may measurably change the terms of, or fees and expenses associated with, an investment in the company; and (iii) are inconsistent with customary industry standards and practices in a manner that may measurably impact the value of an investment in the company. In certain circumstances, Jayhawk Capital also may refrain from voting proxies, including for example where Jayhawk Capital believes that voting would be inappropriate taking into consideration the cost of voting the proxy (including liquidity restrictions that may be imposed in certain non-U.S. jurisdictions) and the anticipated benefit to the Funds.

Jayhawk Capital believes that its policies and procedures setting parameters for voting combined with its independent, private ownership structure significantly limit the potential for conflicts of interest in the proxy voting process. If a conflict of interest were to arise, the policies and procedures set forth potential measures to address the conflict which may include for example referral to a third party. Clients may obtain a copy of Jayhawk Capital's proxy voting policies and procedures and information about how the firm voted their securities by contacting Jayhawk Capital at the phone number or e-mail address listed on the first page of this Brochure.

18. FINANCIAL INFORMATION

Jayhawk Capital has never filed for bankruptcy and is not aware of any financial condition that is expected to impair its ability to meet contractual commitments to the Funds.