

## Telligent Investment Management, LLC

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Part 2A of Form ADV  
The Brochure

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This brochure provides information about the qualifications and business practices of Telligent Investment Management, LLC ("Telligent"). If you have any questions about the contents of this brochure, please contact Mr. Jonathan Ko at +(852) 3150 0888. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Telligent is an SEC registered investment adviser, but this does not imply a certain level of skill or training.

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

## Material Changes

Our most recent update to Part 2 of Form ADV was made in March 2017. The business activities remain unchanged materially since the time of that update.

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## **Advisory Business**

Telligent Investment Management, LLC (“Telligent”), an SEC registered investment advisor, provides discretionary advisory services to private investment vehicles set in a “master-feeder” fund structure and a “single fund” structure. Telligent Greater China Master Fund, LP was launched in August 2004, and has one Onshore Feeder and one Offshore Feeder. Telligent Greater China Value Fund, LP was launched in February 2014. (Collectively referred to hereinafter as the “Funds” or respectively referred to hereinafter as the “Fund”)

The Funds aim to provide investors with participation in the long term prospects of the Greater China region (including China, Hong Kong, and Taiwan) while employing risk managed portfolio construction to protect on the downside.

The Funds invest primarily in publicly traded equity securities. These stocks are listed on HKSE (Hong Kong), TSEC (Taiwan), SGX (Singapore), SSE (China), SZSE (China), NASDAQ and NYSE (USA). The Funds also use index products, swaps, derivatives including options and futures to manage exposures. Telligent has authority to determine, without obtaining specific investors’ consent, the securities and the amount of the securities to be bought or sold.

Telligent was founded in 1999 and is primarily owned by Mr. Ching-Shan Lin and Mr. George Lin. Telligent approximately manages US \$257 million as of December 31, 2016.

## **Fees and Compensation**

### **Telligent Greater China Master Fund, LP**

Telligent charges the Telligent Greater China Feeder Funds an investment management fee of 0.375% quarterly (approximately 1.5% annually) of the respective Onshore Feeder’s and Offshore Feeder’s net asset values. The management fee shall be payable quarterly and in advance, calculated as of the first day of each quarter. If an investor redeems, Telligent will only charge the investor for a pro rata amount based on the number of month(s) that the investment was managed in the quarter.

Any withdrawal by an investor within 12 months after such investor’s investment shall be subject to an early withdrawal fee equal to 5% of the amount withdrawn. The early withdrawal fee shall be payable to the respective Onshore or Offshore Feeder. If an investor withdraws early from the Offshore Feeder, the Board of Directors of the Offshore Feeder may agree to waive or reduce the early withdrawal fee in its sole discretion. If an investor withdraws early from the Onshore Feeder, the General Partner of the Onshore Feeder may agree to waive or establish a different early withdrawal fee for any investor in the feeder.

If an investor purchases interests on multiple dates, each tranche of interests will be tracked separately for purposes of the early withdrawal fee and withdrawals will be deemed made from interests purchased on the earliest date.

In addition to the management fees, the Fund bears trading costs, custody fees, administrator fees, legal expenses, audit fees, governmental fees and taxes, insurance, and other professional fees and expenses. To the extent that the Fund invests in other funds, these

underlying funds charge a separate layer of management, trading, and administrative expenses which are ultimately borne by the investors.

Telligent does not charge subscription fees, and allows investors to subscribe monthly.

Investors should refer to the respective Onshore Feeder's and Offshore Feeder's offering documents for a detailed description of the fees and expenses and other material information.

### **Telligent Greater China Value Fund, LP**

Telligent charges Telligent Greater China Value Fund, LP an investment management fee of:

- (i) 0.3125% quarterly (1.25% annually) in advance with respect to Class A interest of the Fund's net asset values; and
- (ii) 0.25% quarterly (1.00% annually) in advance with respect to Class B interest of the Fund's net asset values

The management fee will be payable quarterly and in advance, calculated as of the first day of each quarter. A pro rata management fee will be charged to investor if the investment is made during a quarter.

If an investor redeems, Telligent will only charge the investor for a pro rata amount based on the number of month(s) that the investment was managed in the quarter. The management fee is not refundable when investors withdraw. Telligent may waive or reduce the management fee for an investor at discretion.

Each investor may withdraw a minimum amount of \$50,000 as of the last day of each quarter by 30 days prior written notice. Telligent may allow another time rather than each quarter end at its discretion with or without an administrative fee charged to the withdrawal amount. Partial withdrawals may not be allowed by Telligent if an investor's investment will reach below \$1,000,000 after the withdrawal.

Any withdrawal by a Class A interest investor within 12 months after such investor's investment shall be subject to an early withdrawal fee equal to 5% of the amount withdrawn. Any withdrawal by a Class B interest investor within 36 months after such investor's investment shall be subject to an early withdrawal fee equal to 5% of the amount withdrawn, with the exception of the rebalance allowance described below.

There is a rebalance allowance for Class B interest investors. From the beginning of the 13th month to the end of the 24th month, a Class B interest investor can withdraw up to 7% of his interest without being charged an early withdrawal fee. From the beginning of the 25th month to the end of the 36th month, a Class B interest investor can withdraw up to 12% of his interest without being charged an early withdrawal fee. Class B investors may elect to withdraw in a single withdrawal or in multiple withdrawals. For the avoidance of doubt, if a Class B investor had withdrawn 7% of his Class B interests at any month end between the 13th month and the 24th month without being charged an early withdrawal fee, he can only withdraw up to 5% of his Class B interests at any month end between the 25th month and the 36th month without being charged an early withdrawal fee so that his total withdrawal without being charged an early withdrawal fee will not exceed 12%. For another example, if a Class B investor had not

withdrawn his Class B interests at any month end between the 13th month and the 24th month, he can withdraw up to 12% of his Class B interests at any month end between the 25th month and the 36th month without being charged an early withdrawal fee.

The early withdrawal fee shall be payable to the Fund. If an investor purchases interests on multiple dates, each tranche of interests will be tracked separately for purposes of the early withdrawal fee and withdrawals will be deemed made from interests purchased on the earliest date. Telligent may agree to waive or establish a different early withdrawal fee for an investor.

Additionally, if a Class B interest investor makes a withdrawal at any point during the initial 36 months after the related interests were purchased, the management fee and the performance allocation previously paid by and/or allocated from such Class B interest investor will be recalculated, such that the withdrawn amounts will be subject to the Class A management fee and the Class A performance allocation (subject to the loss carryforward provision as described below).

In addition to the management fees, the Fund bears trading costs, custody fees, administrator fees, legal expenses, audit fees, governmental fees and taxes, insurance, and other professional fees and expenses. To the extent that the Fund invests in other funds, these underlying funds charge a separate layer of management, trading, and administrative expenses which are ultimately borne by the investors.

Telligent does not charge subscription fees, and allows investors to subscribe monthly.

Investors should refer to the Fund's offering documents for a detailed description of the fees and expenses and other material information.

## **Performance Based Fees and Side-by-Side Management**

Telligent may face conflicts of interest because Telligent manages more than one Fund. There may be an incentive to favour a Fund on the basis of the management fees and/or performance based fees they are charged. To address these conflicts, Telligent makes substantial efforts to deliver fair investment opportunities between each Fund by supervising the trade allocation practice which is according to each Fund's asset under management.

### **Telligent Greater China Master Fund, LP**

Telligent or an affiliated entity receives an annual performance allocation at the close of each Fund's fiscal year equal to 20% of the portion of the Fund's annual net income (including realized and unrealized gains and net of the management fee). As a result, there may be an incentive for Telligent to include investments in the portfolio that are riskier or more volatile than would be the case in the absence of such a compensation framework. Telligent mitigates this risk by the implementation of investment analysis by investment professionals and ongoing reviews by compliance personnel.

The performance allocation is subject to a loss carryforward provision (commonly known as a "high water mark"). That is, if a Fund has a net loss in any fiscal year, this loss will be recorded and carried forward as to the Fund to future fiscal years.

Telligent will not receive the performance allocation from the Fund in any future fiscal year until the loss carryforward amount for the Fund has been recovered. Once the loss carryforward has been recovered, the performance allocation shall be based on the excess profits as to the Fund.

Investors should refer to the respective Fund's offering documents for a detailed description of the performance based fees.

### **Telligent Greater China Value Fund, LP**

Telligent or an affiliated entity will receive an annual performance allocation at the close of each fiscal year equal to:

- (i) with respect to Class A interests, 15% of the Fund's net income (including realized and unrealized gains and net of the management fee) attributable to each Class A interest investor; and
- (ii) with respect to Class B Interests, 10% of the Fund's net income (including realized and unrealized gains and net of the management fee) attributable to each Class B interest investor.

The performance allocation is subject to a loss carryforward provision (commonly known as a "high water mark"). That is, if a Fund has a net loss in any fiscal year, this loss will be recorded and carried forward as to the Fund to future fiscal years.

Telligent will not receive the performance allocation from the Fund in any future fiscal year until the loss carryforward amount for the Fund has been recovered. Once the loss carryforward has been recovered, the performance allocation shall be based on the excess profits as to the Fund.

Investors should refer to the Fund's offering documents for a detailed description of the performance based fees.

## **Types of Clients**

Telligent provides investment advice to the Funds. For Telligent Greater China Master Fund, LP, the minimum initial investor subscription is \$1,000,000 and the minimum additional subscription is \$50,000. The General Partner for the onshore feeder and the Board for the offshore feeder has discretion to accept a lesser amount.

For Telligent Greater China Value Fund, LP, the minimum initial investor subscription is \$1,000,000. The General Partner has discretion to accept a lesser amount.

Interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore transactions. Typically, these investors are high net worth individuals, institutions and other entities. In addition, each U.S. investor in a U.S. Fund must also satisfy the suitability requirements under Rule 205-3 under the Advisers Act, which prescribes certain requirements which must be satisfied in connection with Telligent's receipt of performance-based compensation.

# **Methods of Analysis, Investment Strategies and Risk of Loss**

## **Method of Analysis and Investment Strategies**

Telligent looks to capitalize on the difference between the market valuation of a company's security and the true value of the actual business. In the Greater China regional markets there are significant inefficiencies in the markets and often imperfect information among market participants.

Telligent spends a significant amount of time "in the field" meeting management, cultivating industry contacts, and visiting potential companies, their competitors, suppliers, or other companies in similar sectors to find ideas for the Funds. Telligent's investment team actively visits companies and managements all around the region. Trade journals and local press are also a resource. Brokerage research reports and analysts mostly serve as a way to understand consensus thinking.

The Funds invest and trade in a wide variety of securities and financial instruments, issued by domestic and foreign companies, governments, governmental agencies and other issuers, of all kinds and descriptions, whether publicly traded or securities of limited liquidity, including but not limited to equity, debt, convertible securities, preferred stock, options, warrants, swaps, caps and floors; partnership interests and other investment companies, currencies and currency interests, and futures and forward contracts and options thereon, derivatives and monetary instruments, in the form of long positions, short positions (for Telligent Greater China Master Fund, LP only), or both, without restriction, all as determined by Telligent in its sole discretion.

There can be no assurance that the investment strategies will be successful or that the investment strategies will bring the expected result.

## **Risk of Loss**

An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Funds invest in and actively trade financial instruments using strategies and investment techniques with significant risk characteristics, including:

### Volatility Risk of Equity, Commodity and Currency Markets

The profitability of the Funds substantially depends upon Telligent correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. It cannot be guaranteed that Telligent will be successful in accurately predicting price and interest rate movements.

### Concentration Risk

The investment strategy of the Funds allows for the possibility of a significant amount of the Funds' equities to be invested in the securities of only a few companies. The concentration would subject the Funds to a greater degree of risk with respect to the failure of one or a few investments, or with respect to economic downturns in relation to an individual industry or sector.

### Short Sale Risk

Telligent Greater China Master Fund, LP sells securities short. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Funds may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

### Leverage Risk

When deemed appropriate by Telligent and subject to applicable regulations, the Funds may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

### Illiquidity Risk

The investments held by the Funds may be illiquid, due to transfer restrictions, the size of an interest held in a particular company, lack of volume in Chinese emerging markets, or for other reasons. As a result, it may be necessary to hold these investments for an indefinite period of time. Generally, a less liquid investment bears more risk than a more liquid one.

### Counterparty and Broker Default Risk

Telligent engages in transactions for the Funds in securities and financial instruments that involve counterparties. Under certain conditions, the Funds could suffer losses if a counterparty defaults or if market fails. In addition, the Funds could suffer losses in the event of a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Funds conduct business.

### Non-U.S. Investments

The Funds invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

No guarantee or representation is made that the investment will be successful. All investments made by the Funds risk the loss of capital. Investment results may vary substantially over time. Past results of the Funds and Telligent are not necessarily indicative of future performance. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.



The Funds entail substantial risks and there can be no assurance that its investment objectives will be achieved. The practices of options trading, short selling, use of leverage, private placement investing and other investment techniques employed by the Funds can, in certain circumstances, maximize the adverse impact to which the Funds' portfolios may be subject.

This brochure does not disclose every potential risk associated with investing in the Funds, or all of the risks applicable to Telligent. Please refer to the respective Fund's offering documents for a detailed description of the risks of investing in a particular Fund.

## **Disciplinary Information**

Telligent and its employees have not been involved in any legal or disciplinary events in the past that would be material to a client's evaluation of the company or its personnel.

## **Other Financial Industry Activities and Affiliations**

Telligent Advisors, LLC is an affiliated entity that serves as General Partner to the Onshore Feeder and Management Company for the Offshore Feeder.

Telligent Capital Management Ltd ("TCM") is a wholly owned subsidiary of Telligent Investment Management, LLC ("Telligent"), and is licensed by Hong Kong Securities and Futures Commission to conduct regulated activities in Hong Kong. TCM performs sub advisory services on behalf of Telligent to the Funds. For these services, TCM receives a fee in accordance with the investment advisory agreement (also known as sub advisory agreement).

Telligent and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Telligent has adopted a written code of ethics that is applicable to Telligent's employees and to Telligent's affiliated entities' employees. Among other things, the code requires us to act in the Funds' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report personal securities transactions.

Any proposed employee transaction involving securities requires preclearance from our Chief Compliance Officer. The Chief Compliance Officer does not grant preclearance where it would appear that an employee's trading could disadvantage the Fund's investors. No employee is allowed to participate in partially filled orders until all Fund orders have been filled. Our Chief Compliance Officer monitors employee trading, relative to Fund trading, to ensure that employees do not engage in improper transactions.

Each quarter, employees must report all reportable securities transactions in accounts in which they have a beneficial interest, and report any accounts opened during the quarter that hold any securities. Employees must report their holdings every year. New employees must report their initial holdings when they join Telligent.

Telligent's restrictions on personal securities trading apply to all employees, as well as employees' family members living in the same household. A copy of our code of ethics is available upon request. Please contact Mr. Jonathan Ko at +(852) 3150 0888 if you would like to have a copy.

## **Brokerage Practices**

### **Selecting Brokers**

Telligent utilizes the services of independent prime brokers and executing brokers (the "brokers") to provide brokerage and clearing services to the Funds. To select a broker, we consider its respective financial strength, reputation, execution, pricing, research, service, etc. The commissions and/or transaction fees charged by the brokers are exclusive of and in addition to Telligent's fees.

The Funds often pay a commission that is higher than other brokers might charge to effect the same transaction where Telligent determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

The commissions paid by the Funds shall comply with Telligent's duty to obtain "best execution". In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker's services, including among others, the value of research meetings and reports provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Telligent will seek competitive rates, it may not necessarily obtain the lowest possible commission rates. Telligent periodically and systematically reviews its policies and procedures regarding recommending brokers to the Funds in light of its duty to obtain best execution.

In addition to the research services, Telligent may be offered other non-monetary benefits by the brokers that it may engage to execute securities transactions on behalf of the Funds. These benefits may take the form of special execution capabilities, clearance, settlement, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, online access to computerized data regarding the Funds' accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, general reports, efficiency of execution and error resolution, availability of stocks to borrow for short trades, custody, record keeping and similar services.

Telligent will assure either that the fees and costs for services provided to the Funds by brokers offering these benefits are not materially greater than they would be if the services were performed by brokers not offering these services.

### **Trade Aggregation**

Because Telligent manages more than one Fund, aggregate transactions on behalf of all participating Funds may be utilized when deemed appropriate. In such cases, the transactions will be allocated to all participating Funds in a fair and equitable manner. Consistent with each participating Fund's offering documents, Telligent may aggregate orders for more than one

Fund to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges. Participating Funds in an aggregated order receive the same average executed price, thereby having the same unit average cost.

Telligent generally will allocate the securities traded among the different Funds pro rata based on the Fund's assets under management. Telligent also takes other factors into consideration such as cash availability, investment objectives, new Fund ramp-up stages, odd-lots, or any other relevant factors. Such decisions for trade allocation may be concluded when trade order is instructed or when trade order has been filled completely or partially. If Telligent reaches a decision that using pro rata based allocation is not suitable, Telligent will not aggregate order and will separately place trade orders for each participating Fund. Because trade orders are placed independently for each participating Fund, it is very likely that the executed prices will be slightly different from each other.

## **Review of Accounts**

Telligent monitors the Funds' portfolios on a daily basis. Such reviews are conducted by the Chairman and the Vice Chairman of Telligent, Mr. Ching-Shan Lin and Mr. George Lin.

IFS – International Fund Services a State Street Company ("IFS") is administrator for the Funds which directly sends the account statements to the investors on a monthly basis. Telligent also sends the investors a report that may include such relevant information such as an inventory of the Fund exposure and the Fund's performance on a monthly basis.

## **Client Referrals and Other Compensation**

Telligent does not participate in any third-party solicitation or placement agent arrangements and does not pay any direct or indirect compensation for the referral of any client or investor to the Funds.

## **Custody**

Telligent has access to the Funds' accounts since it or an affiliate serves as the general partner or managing company to the Funds. Within 120 days of the end of its fiscal year, the respective Fund shall provide each investor with a copy of the Fund's audited financial statements for such fiscal year, prepared in accordance with generally accepted accounting principles and audited by Ernst & Young, which is a registered public accounting firms with the Public Company Accounting Oversight Board (PCAOB).

The Funds' administrator, IFS, sends account statements directly to investors on a monthly basis. Investors should carefully review these statements, and should compare these statements to any account information provided by Telligent.

## **Investment Discretion**

Telligent has investment discretion over the Funds. Investors grant Telligent trading discretion through the execution of a limited power of attorney included in the respective Fund's private placement memorandum.

Although investors cannot place restrictions on Telligent's investment discretion, Telligent's investment scope is described in this ADV Part 2A under the chapter Advisory Business.

## **Voting Client Securities**

Telligent has adopted and implemented written policies and procedures governing the voting of the Funds' securities. All proxies that Telligent receives will be treated in accordance with these policies and procedures. A copy of Telligent's proxy voting policies and procedures is available upon request. Current investors may obtain information from Telligent about how Telligent voted the Funds' securities. Please contact Mr. Jonathan Ko at +(852) 3150 0888 if you would like to have a copy of either of these documents.

Telligent considers the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. In general, Telligent votes in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity's name.

Telligent also generally votes in favor of compensation practices and other measures that are in-line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders.

Telligent has not identified material conflicts of interest in connection with past proxy votes. Such a conflict could arise if, for example, an investor was a senior executive with a publicly traded company and the Funds held securities issued by that company. Absent specific Fund instructions, if Telligent identifies a material conflict of interest it will follow the voting recommendation of the independent corporate governance consulting firm that it has retained.

## **Financial Information**

Telligent has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage the Funds' assets.