



Hillhouse Capital Advisors, Ltd.

Form ADV, Part 2A – Brochure

This Brochure provides information about the qualifications and business practices of Hillhouse Capital Advisors, Ltd (“HCA”). If you have any questions about the contents of this Brochure, please contact HCA at +852 2179-1977 or at hcainfo@hillhousecap.com.

HCA is registered with the United States Securities and Exchange Commission (“SEC”) as an investment adviser. Registration as an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about HCA is also available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2: Material Changes

HCA last filed an annual update to its Brochure on March 31, 2018. While this update to HCA's Brochure contains changes and updates to certain information, HCA does not believe they constitute material changes from the last annual update.

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Overview

Founded in October 2012, Hillhouse Capital Advisors, Ltd. (“HCA”) provides investment advice to “clients” (including managed accounts and clients organized as privately offered pooled investment vehicles) primarily investing in securities and other investment instruments that are traded on exchanges within the People’s Republic of China (the “PRC”) (such investments, “A Share Investments”), including securities permitted to be acquired by persons licensed as a Qualified Foreign Institutional Investor (“QFII”) by the China Securities Regulatory Commission (“CSRC”) (such securities, “QFII Investments”) or purchased through the Shanghai – Hong Kong Stock Connect or the Shenzhen – Hong Kong Stock Connect programs (“Stock Connect”). HCA is a wholly owned subsidiary of Hillhouse Capital Group Limited, which is a wholly owned subsidiary of Hillhouse Capital Group Holdings Limited. Mr. Lei Zhang directly owns 100% of Hillhouse Capital Group Holdings Limited.

To comply with local operational requirements (including the issuance of local work visas), HCA has engaged local affiliates based in Hong Kong, the People’s Republic of China, and Singapore (Hillhouse Capital Management Limited, Hillhouse (Beijing) Advisory Limited, and Hillhouse Capital Management Pte. Ltd., respectively). While these local entities are not registered as investment advisers with the United States Securities and Exchange Commission (“SEC”) because these entities are under common control with HCA and share certain personnel and resources, HCA subjects these affiliates’ personnel to all of its compliance policies and deems these affiliates’ books, records, and personnel to be within the scope of HCA’s books and records retention and production obligations. Accordingly, certain information on HCA contained in this Brochure, including information regarding personnel, is presented on an aggregate basis for HCA and these affiliates. (Another HCA affiliate, Hillhouse Capital Management, Ltd. (“HCM”), which is discussed in Item 10, is also registered as an investment adviser with the SEC; HCM’s Form ADV, including its Brochure, similarly reflects that HCM also treats the personnel, books, and records of these non-U.S. affiliates as being part of its integrated business.)

Investment Philosophy

HCA’s investment philosophy is to seek long-term, risk-adjusted returns through bottom-up analysis and fundamental proprietary research. As part of HCA’s bottom-up analysis, it performs both qualitative and quantitative assessments of potential investments with a particular focus on opportunities upon which it can gain insights and discover value in an ever-changing world. HCA believes that this fundamental research persistence allows it to be a patient, long-term investor.

Advisory Services

HCA provides portfolio advisory services and manages client accounts and funds on both a discretionary and non-discretionary basis subject to investment policies and restrictions established by its clients. HCA consults with each client on its investment objectives and tailors

its services and advice to those objectives. For example, certain of HCA's clients may place limits on its investments. HCA had approximately \$9,056,082,000 of assets under management as of December 31, 2017, with approximately \$3,152,400,000 managed on a non-discretionary basis and \$5,903,682,000 managed on a discretionary basis.

The amount of assets under management reported in this brochure is lower than the amount of "regulatory assets under management" that HCA reported in Part 1, Item 5 of its Form ADV because Item 5 requires an adviser to report assets under management *inclusive* of any uncalled commitments and *without deducting* any outstanding indebtedness or other accrued but unpaid liabilities. To prevent the appearance of an overstatement of HCA's assets under management, HCA has calculated assets under management in this brochure *exclusive* of uncalled commitments and *taking into account* certain unpaid liabilities and outstanding indebtedness.

HCA provides advisory services with respect to A Share Investments to clients organized as managed accounts and/or pooled investment vehicles. QFII Investments are made primarily through each client's own QFII license to trade QFII Investments. Other A Share Investments are invested primarily through the Stock Connect programs through managed accounts or pooled investment vehicles. HCA has a select and limited number of eligible managed account clients and, thus, HCA consults with each client on its investment objectives and then tailors HCA's services and advice to those objectives. HCA's role is to assist its managed account clients in the selection of A Share Investments most suited to their investment objectives, and then to monitor and provide additional investment advice as required in connection with the applicable advisory relationship. HCA may mutually agree to construct a custom portfolio or structured product for such clients.

HCA's pooled investment vehicle clients include vehicles that focus on traded or more liquid instruments and offer certain opportunities for subscriptions and redemptions throughout the term of such vehicle. Such pooled investment vehicles are generally organized into master-feeder structures. A master-feeder structure is commonly used to accumulate capital raised from both United States ("U.S.") taxable, U.S. tax-exempt, and non-U.S. investors into one central trading vehicle - a master fund - in order to enhance the critical mass of tradable assets, improve economies of scale under which the fund arrangements operate and enhance operational efficiencies, thereby reducing costs. HCA is under common control with an entity that serves as the general partner of a pooled investment vehicle client.

HCA's focus on A Share Investments places unique limits on its investment advice and represents a particularized portfolio available to its clients. The A Share Investments market possesses substantially different characteristics from other large equity markets. The A Share Investments market is subject to limited access by foreign investors. Foreign investors may participate through two channels:

- first, investors may apply directly for a QFII license, after which they may apply for and obtain a quota of RMB with which to trade on the market;
- second, investors may obtain A Share Investment exposure through the Stock Connect program or through derivative products offered by certain investment banks and other financial institutions.

However, such market access and derivative products may be subject to limited availability and increased cost. Moreover, QFII status is only granted to investors who are able to meet stringent asset, experience, and strategy requirements, including a minimum investment quota of at least \$20,000,000. These requirements and restrictions substantially limit the pool of HCA's potential clients.

Investors in A Share Investments also operate under a number of other investment constraints. For example, there is currently limited opportunity to short equities and little ability to engage in derivative transactions on the applicable markets. In addition, the QFII program offers limited ability to rebalance and repatriate funds. The unique restrictions, limits, and characteristics of the A Share Investment portfolio make HCA's investment advisory services particularized and appropriate for investors focused on such investments. In addition, certain of HCA's clients may place specific investment or other limits on its investment advice.

Though HCA's investment advice is limited to A Share Investments, the types of securities that fall within permitted A Share Investment transactions may vary and could, in the future, include: share capital; common and preferred stock (privately-placed and exchange-traded); shares of beneficial interest; partnership interests and similar financial instruments; bonds, notes, and debentures (whether subordinated, convertible, or otherwise); commodities; currencies; interest rate, currency, commodity, equity, and other derivative products (including, without limitation, (i) futures contracts (and options on futures contracts) relating to stock indices, currencies, other financial instruments, and all other commodities, (ii) swaps, options, warrants, caps, collars, floors, and forward rate agreements, (iii) spot and forward currency transactions, and (iv) agreements relating to or securing such transactions); loans; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds; money market funds; structured securities; repurchase agreements; obligations of governments and instrumentalities; commercial paper; certificates of deposit; bankers' acceptances; trust receipts; choses in action; investments in physical assets; and any other obligations and instruments or evidences of indebtedness of whatever kind or nature; in each case, of any person, corporation, government, or other entity whatsoever, whether or not publicly traded or readily marketable. Some investments that HCA makes for client accounts may have no readily available market.

Investment Allocations

HCA faces a number of conflicts in allocating investment opportunities among its various clients, including clients with similar or identical trading and investment programs and clients that have separate and distinct, but overlapping, trading and investment programs. HCA may also face additional conflicts in connection with certain proprietary vehicles owned or controlled by HCA and its affiliates. These conflicts are heightened by the fact that the various clients sponsored, advised, or managed by HCA and its various affiliates have different management and incentive fee structures. In some circumstances, HCA may allocate the same or similar trade or investment opportunities among clients and proprietary vehicles. In other circumstances, HCA may allocate investment opportunities to certain clients or to proprietary vehicles and not to other clients. As such, not all of the opportunities that may be suitable for a given client will be presented to such client. In circumstances where investment opportunities fall within the investment programs of more than one client, HCA's policy is to allocate investment

opportunities among eligible clients fairly and equitably, to the extent possible, over a period of time subject to any (i) applicable investment parameters, (ii) contractual obligations, (iii) legal, tax, regulatory, and other considerations, and (iv) internal allocation policies.

In an effort to ensure fairness in the allocation of investment opportunities among HCA's clients, HCA has adopted allocation policies and procedures that take into account various factors, including: suitability of the investment for each of HCA's clients; HCA's clients' investment objectives and strategies; existing portfolio composition and existing holdings; net asset value; liquidity and reserve levels; risk profile; actual or projected future capacity for investment and the timing thereof; eligibility; targeted rate of return; stage of development of the prospective portfolio company or other investment; legal, tax, contractual, regulatory or other considerations; cash levels and cash availability; anticipated holding period and remaining investment periods; market exposure; market or opportunity size; currency exposure; and industry sector exposure. To the extent that all or a portion of an investment is deemed inappropriate for HCA's clients, such as but not limited to investments in pooled investment vehicles or similar structures managed by third parties that assess management fees or performance fees/allocation, HCA, its employees, and its affiliates may participate in such opportunities as described in HCA's policies and procedures.

Item 5: Fees and Compensation

General

Clients typically compensate HCA, in part, on the basis of asset management fees calculated as a percentage of a client's assets under management. HCA generally deducts or charges asset management fees from or to client accounts on a quarterly basis and such fee rates are individually negotiated with HCA's clients. Asset management fees are generally payable by clients in advance of the beginning of each calendar quarter.

HCA also enters into arrangements to receive performance-based fees/allocation. In such cases, HCA assesses performance-based fees/allocation based on realized and unrealized capital appreciation, if any, over a threshold amount. HCA deducts or receives performance-based fees/allocation from clients on an annual basis and such fee/allocation rates are individually negotiated with HCA's clients. Please see Item 10, "Other Financial Industry Activities and Affiliations" below for more detail.

HCA believes that its fees are competitive with fees charged by other investment advisers for comparable services. However, comparable services may be available from other sources for lower fees.

Neither HCA nor any of its respective "supervised persons" (as defined in the glossary of terms to the SEC Form ADV) accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Performance-Based Compensation

HCA receives performance-based fees and allocations, as described above. HCA negotiates or arranges such fees/allocation with clients before entering into advisory relationships. The

receipt of performance-based compensation may create an incentive for HCA to make investments that are riskier or more speculative than those HCA would otherwise make in the absence of such incentive compensation. HCA addresses this conflict by focusing on long-term relationships with its clients, and by managing client assets in accordance with the applicable advisory agreement and/or governing documents.

HCA charges clients both asset-based fees and performance-based fees/allocations. However, fees and other economic terms can be negotiated on a client-by-client basis and may vary. Charging asset-based fees and performance-based fees/allocations may create a conflict of interest because it creates an incentive to allocate the best-performing assets into client accounts on which HCA charges performance-based fees/allocations. Additionally, the allocation of performance fees and allocations at different rates, or subject to different hurdle rates or preferred returns, may create an incentive for HCA or its affiliates to disproportionately allocate time, services, or functions to accounts or vehicles with higher fees/allocations (or subject to a lower hurdle rate or preferred return), or to allocate investment opportunities to such accounts or vehicles.

HCA and its advisory affiliates recognize the possibility of such a conflict and address it through HCA's allocation policies and procedures and other relevant measures. Please see Item 4, "Investment Allocations" for additional information on HCA's investment allocation policies and procedures. HCA does not charge performance-based fees where such an arrangement would violate Section 205 of the U.S. Investment Advisers Act of 1940 (the "Advisers Act") pursuant to Rule 205-3 thereunder.

Valuation of Assets

The asset management fees and the performance-based fees/allocations charged to or made by a client may be calculated based on valuations ascribed to the client's holdings. There can be no assurance that the value assigned to an investment at a certain time will equal the value that the client is ultimately able to realize. HCA addresses this conflict by adhering to its valuation policies and procedures, using a third party to assist in certain valuation processes, and/or using third-party pricing sources to the extent feasible.

Expenses and Other Fees

Each client bears its own expenses and HCA's general policy is that it will only assess expenses against client accounts to the extent that such expenses are permissible client expenses under the applicable client agreements. Allocable client expenses generally include: management fees and performance fees/allocations; organizational and administration fees and expenses; taxes; costs incurred in connection with the researching, evaluation, acquisition, monitoring and disposition of investments (whether or not consummated); transaction costs; financing costs; insurance costs; certain regulatory and tax compliance costs; and fees relating to service providers engaged for the client's business and operations, including, without limitation, attorneys, auditors, accountants, valuation services, consultants, and custodians, and such other fees and expenses as are provided for under the arrangement with each client.

Certain expenses may be charged to more than one client, in which case HCA will determine the appropriate allocation of expenses among each client depending on the nature of the expense. Certain expenses may be allocated between clients on a pro rata or NAV basis (as appropriate) while others may be allocated more specifically based on other factors, such as the relevant clients that have incurred the cost or received the benefit arising from the expenses. Clients will incur brokerage and other transaction costs. Please see Item 12, “Brokerage Practices,” below for a discussion of certain brokerage expenses. HCA has no affiliated broker-dealers.

HCA or its affiliates may receive or be eligible to receive other fees or service payments (including directors’ fees, transaction fees, break fees, or similar fees) from client portfolio investments, which may be in addition to management fees. As set forth in the governing documents of the applicable client, HCA may, in some circumstances, be obligated to reduce the amount of management fees paid by the relevant client based on such fees received. In addition, HCA may forgo such fees or ensure such fees are received by the applicable client.

Refunds and Fee Waivers

In the event of the termination of a client’s advisory contract during a quarterly period, the client, without request, will receive a pro rata refund of the portion of the asset management fee paid in advance for the remaining balance of the quarter. Additionally, HCA assesses a pro rata asset management fee to any client account created on any date other than the first day of any calendar quarter.

HCA may, in its sole discretion, waive all or part of any fees or expenses payable by or attributable to its clients, underlying investors, or their assets.

HCA and/or its personnel may invest in one or more of its pooled investment vehicle clients directly or indirectly through vehicles established by HCA for HCA personnel. HCA and/or its personnel are not generally subject to asset management fees or performance-based fees/allocations with respect to their investments in such vehicles.

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

HCA receives performance-based compensation as described in Item 5, “Fees and Compensation” above. As described above, HCA does not engage in side-by-side management practices.

Item 7: Types of Clients

HCA provides investment advice with respect to A Share Investments. HCA’s clients include endowments, foundations, non-profit organizations, pensions, corporates, government entities, family offices, trusts, and other businesses.

HCA also serves as an investment adviser to pooled investment vehicles whose underlying investors are exclusively “accredited investors” (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933) and “qualified purchasers” (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940). Underlying investors in the pooled investment vehicles

HCA advises are generally endowments, foundations, non-profit organizations, pensions, corporates, government entities, family offices, trusts, and other businesses.

Minimum Account Size

HCA does not have a minimum account size, but its client managed accounts are generally \$20,000,000 or more. HCA generally does not require clients to maintain a minimum investment to continue an advisory relationship, but HCA does reserve the right to terminate a client account based on its size if the account has decreased because of substantial client withdrawals. HCA's pooled investment vehicle clients require an initial minimum capital contribution of \$25,000,000 and a minimum subsequent capital contributions of \$1,000,000, but the general partners of such clients may accept contributions in lesser amounts in their sole and absolute discretion, with an absolute minimum initial capital contribution of \$100,000 (except with respect to certain affiliated investors). HCA generally does not require investors to maintain a minimum investment to remain invested in the pooled investment vehicle, but HCA does reserve the right to terminate an investor account based on its size if the account has decreased because of the substantial investor withdrawals.

Advisory Agreements

All clients must enter into a written investment management, advisory, or similar agreement before establishing an advisory relationship with HCA. HCA may not assign such agreements without client consent.

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

Methods of Analysis

HCA's research process employs fundamental, quantitative, and qualitative analysis, including cyclical analysis. HCA focuses on developing a deep, fundamental understanding of investment opportunities through rigorous due diligence and analysis. HCA's bottom-up approach to analysis and research is generally conducted on a company-by-company basis, but may extend to competitors and industries. HCA evaluates the upside and downside of the companies and opportunities identified and monitor them closely. HCA also conducts on-site visits, cross-checks, and detailed financial analysis of investment opportunities. HCA's analysis includes vigilant monitoring that continues the due diligence process after an investment is entered into the client's portfolio. HCA's extensive due diligence process also assists it in discovering and exploring previously unknown investment opportunities.

Sources of Information

HCA incorporates local expertise stemming from grassroots research to generate powerful independent and proprietary views that drive its investment strategy. HCA generally adheres to an exhaustive research framework, including face-to-face communication with management, analysis of publications and other media, site visits, and dialogue with suppliers, customers, and competitors.

Investment Strategies

General Strategy. HCA's investment decisions are based on bottom-up analysis and research, and are limited to A Share Investments. HCA seeks capital appreciation derived from investments in A Share Investments across multiple industries. HCA invests primarily in reasonably priced companies that provide substantial long-term growth prospects. Although HCA monitors macro-economic factors and market trends, HCA generally avoids market-timing strategies and focuses primarily on bottom-up opportunities. HCA focuses on understanding fundamental risks, uncovering long-term growth potential, and targeting industries that it understands and can monitor.

Short Sale Strategy. Current regulations on A Share Investments place limits on the ability to engage in short sales. These limits may or may not be revised in the future. To the extent allowed by regulations and in addition to seeking out attractively priced investments, HCA may, from time to time, sell short overvalued companies facing circumstances that HCA believes will result in declining market valuations. Similar to HCA's long investments, any advice on short portfolios will be constructed on the basis of intensive bottom-up research. HCA is cognizant of the risks of trading short and monitor exposure carefully.

Risk Factors

Clients should be aware that any investment in securities involves a high degree of risk and is suitable only for investors of substantial means who have no need for liquidity with respect to the amount invested and can afford to lose all of their investment. There can be no assurances that HCA's clients will receive a return of, or on, their capital.

Investors are advised to review the applicable pooled investment fund client's offering materials for a more extensive description of the risks of investing in such clients.

Investment risks include, but are not limited to, the following:

Risk of Loss. HCA does not guarantee the future performance of any client portfolio or the success of any investment decision, strategy or advice that HCA may employ or provide, or the success of HCA's overall management of any pooled investment vehicle. Any investment made in connection with HCA's advice or management involves significant risk, including the risk of loss of all or substantially all capital invested. Investors should be prepared to bear the loss of the entire amount of their investment.

International Investments Risk. HCA provides investment advice primarily in respect of A Share Investments. International investments involve a broad range of political, economic, legal, tax, and financial risks. Many of these risks are not typically associated with investments in securities of companies in economies that have developed and been regulated over a longer period. These risks include: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; and (iii) foreign exchange controls.

Moreover, non-U.S. companies may not be subject to uniform accounting, auditing, and financial reporting standards, practices, and requirements comparable to those applicable to U.S. companies. Further, investing in securities of non-U.S. entities that are generally denominated in

non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. government or entities organized or domiciled in the U.S. These considerations include changes in exchange rates and exchange control regulations; political and social instability; expropriation; imposition of foreign taxes; less liquid markets and less available information than is generally the case in the U.S.; higher transaction costs; foreign government restrictions; less government supervision of exchanges, brokers and issuers; greater risks associated with counterparties and settlement; difficulty in enforcing contractual obligations; and greater price volatility.

Further, income or proceeds received by a client from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by a client will reduce its net income or return from such investments.

Emerging Markets Risk. Investing in an emerging market involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Emerging economies differ from other large economies in many respects, including the level of development, growth rate, and allocation of resources.

Such risks may include (i) increased risk of nationalization, expropriation of assets or confiscatory taxation; (ii) greater social, economic, and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards, which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders and other interest holders; and (xiv) less developed laws regarding internal controls designed to ensure the accuracy of financial reporting and third-party attestation of the effectiveness of those controls.

Moreover, the value of HCA's investments may be adversely affected by uncertainties associated with international political developments. Changes in political, economic, and social conditions and government policies in the PRC and elsewhere in Asia may have a substantial detrimental impact on HCA's clients' investments. These changes may include: (i) promulgation of new laws, regulations, and economic policies; (ii) changes in the interpretation or enforcement of laws or regulations; (iii) introduction of measures to control inflation or stimulate growth; (iv) changes in the rate or method of taxation; and (v) the imposition of additional restrictions on currency conversion and remittances abroad.

Availability of Suitable Investment Opportunities and Investment Risk. For HCA's investment strategies to be successful, it must be able to identify and select appropriate investment opportunities. Additionally, HCA competes for investment opportunities with operating

companies, financial institutions, and other institutional investors, including hedge and other investment funds, which may negatively impact HCA's ability to take advantage of suitable investment opportunities. Successful implementation of the investment strategy adopted by HCA requires accurate assessments of general economic conditions, the detailed analysis of individual companies or industries, the relationship between a security and its derivatives, the risk correlation between a wide variety of investments, and the future behavior of other financial market participants. Even with the most careful analysis, the direction of the financial markets is often driven by unforeseeable economic, political, and other events and the reaction of market participants to these events. HCA's clients should be aware that the value of their investments and the return derived from them may fluctuate. There can be no assurance that HCA's strategy will be successful and an unsuccessful strategy may result in significant losses to HCA's clients' investments. Further, there can be no assurance that the investments HCA chooses will achieve its clients' investment objectives. Additionally, though investments are monitored in accordance with HCA's policies, as well as risk management policies and restrictions in prospectuses or investment advisory agreements, there can be no guarantee that losses will be avoided at all times. There is a risk that HCA's clients' investments will be lost entirely or in part. Past performance should not be construed as an indication of the future results of an investment that HCA monitors, recommends, or trades for its clients.

Strategy Risk. Fundamental analysis, by itself, does not attempt to anticipate market movements. This presents a potential risk and, although HCA considers overall market conditions in its investment strategies, the price of a security may move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the investment. Likewise, HCA's long-term growth strategy may not take advantage of short-term gains that could be profitable. If HCA's predictions are incorrect, a security may decline sharply in value before client investments are sold.

Equity Risk. Because of the nature of HCA's investment strategies, clients are subject to the risk that prices will fall over short or extended periods of time, and clients could lose all, or a substantial portion, of the value of their investments.

Business Risk. Investments made by HCA's clients may report poor results and industry and/or economic trends and developments could have a greater impact on certain companies in comparison to the market as a whole. The prices of these companies' securities may decline in response.

Interest Rate Fluctuations Risk. The prices of some of the financial derivative instruments that HCA may advise its clients to invest in may be sensitive to interest rate fluctuations. Unexpected fluctuations in interest rates could cause the corresponding prices of HCA's clients' long and short positions to move in directions that were not initially anticipated. Additionally, interest rate increases generally will increase the costs of borrowing. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose HCA's clients to losses.

Market Risk and Disruptions. The price of a security may decline in response to certain tangible and intangible events and conditions, including, but not limited to: conditions directly

involving the issuers of the securities; general economic conditions; overall market changes; local, regional, or global political, social, or economic instability; governmental responses to economic conditions; and currency, interest rate, and commodity price fluctuations. Such events are beyond HCA's control and may be independent of a security's particular underlying circumstances. Further, the global financial markets have undergone and may further undergo pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has, in certain cases, been implemented on a sudden and "emergency" basis. This has substantially limited the ability of market participants to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action, these interventions may be perceived as unclear in scope and application and such perceptions can contribute to general uncertainty in the markets. Clients may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which HCA may base its advice) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions may from time to time cause dramatic losses for HCA's clients, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on HCA's strategies.

Derivative Instruments Risk. HCA may invest client assets in derivative instruments. The prices of derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of futures and options contracts and payments pursuant to swap agreements are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; and national and international political and economic events and policies. The value of futures, options, and swap agreements also depends upon the price of the assets underlying them. In addition, such instruments are subject to counterparty risk. Certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks of creditworthiness of the counterparty, market risk, liquidity risk, and operations risk. If a counterparty's creditworthiness declines, the value of any agreements with such counterparty can be expected to decline, potentially resulting in loss. In connection with exchange-listed or centrally-cleared instruments, clients are subject to the risk of failure of any of the clearing houses or clearing members through which their positions are cleared.

Short-Selling Risk. HCA may engage in short-selling securities on behalf of its clients, which involves: (i) selling securities which may or may not be owned by the short seller; and (ii) borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short-selling allows a client to profit from a decline in market price to the extent such decline exceeds the transactions costs and the costs of borrowing the securities.

A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit. This would in turn increase the cost to the client of buying those securities to cover the short position. There can be no assurance that a

client will be able to maintain the ability to borrow securities sold short. In such cases, the client can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In addition, short-selling activities are subject to restrictions imposed by other foreign governmental and regulatory authorities and various securities exchanges. Such restrictions may inhibit or prevent HCA from entering into a short position on behalf of a client.

Investment Regulations Risk. The laws and regulations of various jurisdictions related to securities markets, investment advisers, and pooled investment vehicles have undergone substantial change in recent years, and such change may continue in the foreseeable future. The effect of regulatory change on HCA and its clients, while impossible to predict, could be substantial and adverse.

At present, the securities market and the regulatory framework for the securities industry in the PRC is at an early stage of development. The CSRC is responsible for supervising the national securities markets and producing relevant regulations. Additionally, such investment regulations allow CSRC and the PRC State Administration of Foreign Exchange (“SAFE”) considerable discretion, which may result in uncertainty as to how this discretion may be exercised. Such investment regulations may be varied in the future and may negatively impact HCA and its clients. Investment quotas and currency matters may be subject to review from time to time by CSRC and SAFE.

Stock Connect and QFII Programs. Access to A Share Investments is restricted under Chinese laws and regulations. HCA’s clients may also invest in A Share Investments through Stock Connect or QFII programs, each of which involves particular risks and considerations, including suspension or limitations on trading and custody risks, among others. HCA clients may seek to invest in or obtain exposure to A Share Investments through other means, subject to compliance with applicable laws and regulations, which may give rise to similar or other risks and considerations.

PRC Laws and Regulations Risk. The PRC legal system is based on written statutes. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters, such as corporate organization and governance, foreign investment, commerce, taxation, and trade. Therefore, some degree of uncertainty exists in connection with whether existing laws and regulations will apply to certain events or circumstances and, if so, the manner of such application. Precedents on the interpretation, implementation, and enforcement of PRC laws and regulations are somewhat limited and the binding nature of decisions of PRC courts may vary. The administration of PRC laws and regulations may be subject to a certain degree of discretion by executive authorities. In particular, as mentioned above, new investment regulations have a shorter operating history. Because these laws, regulations, and legal requirements are relatively recent, their interpretation and enforcement involve significant uncertainty. In addition, the PRC laws governing business organizations, bankruptcy, and insolvency may provide less protection to security holders than that provided by the laws of other countries.

PRC Enterprise Income Tax. According to the Enterprise Income Tax Law of the PRC of March 16, 2007 (the “Enterprise Income Tax Law”), dividends, interest, rents, royalties, capital gains, and other income from PRC sources recognized by non-PRC tax resident enterprises are generally subject to PRC withholding tax at a rate of 20%. The implementation rules of the Enterprise Income Tax Law of December 6, 2007 reduced the rate of withholding tax imposed by the Enterprise Income Tax Law from 20% to 10% for PRC-sourced income recognized by non-PRC tax resident enterprises. According to the Notice on Issues relating to Withholding Tax of Dividends and Interests Paid by a Resident Enterprise to a Qualified Foreign Institutional Investor, issued on January 23, 2009 (the “QFII Withholding Tax Notice”), PRC tax authorities confirmed that QFIIs will be subject to withholding tax of 10% on dividends and interest they derive from the PRC (subject to reduction by applicable tax treaties). PRC resident enterprises who distribute dividends or pay interest to QFIIs withhold this 10% withholding tax, which can be expected to adversely affect returns in respect of any client’s QFII Investment. QFIIs may apply for refund of any withholding income tax overpaid, if the QFII is eligible for tax treaty rate of lower than 10% subject to the agreement of the mainland China tax authorities. Interests derived from government bonds issued by the finance authority of the State Council and local government bonds approved by the State Council shall be exempt from the mainland China income tax

Caishui [2014] No.79 (Notice on Temporary Exemption of Enterprise Income Tax on Income from Transfer of Equity Investment Assets Including Shares Within China by QFII and RQFII) has provided a provisional exemption from PRC withholding tax for capital gain income derived by QFIIs from transfers of shares of PRC enterprises. Caishui [2014] No.79 was issued on October 31, 2014 and became effective on November 17, 2014.

In such conditions, it is likely that QFIIs will not be subject to PRC withholding tax on capital gains derived after November 17, 2014. Meanwhile, Caishui [2014] No.79 has stipulated that any capital gains derived by QFIIs from transfers of shares before November 17, 2014 shall be taxable and any unpaid tax shall be collected.

However, Caishui [2014] No.79 has not set an expiry date for such provisional exemption from PRC withholding tax on capital gains. Hence there is no guarantee that it may not be replaced or abolished by follow up regulations and capital gains will become subject to PRC withholding tax in the future.

Clients’ QFII Investments may be materially adversely impacted if such a tax is imposed in the future or with respect to prior transactions, in particular in light of the notice.

In relation to capital gains realized from the disposal of PRC debt securities, the PRC tax authorities have verbally indicated, on numerous occasions, that such gains are non-PRC sourced income and hence not subject to the PRC withholding income tax. However, there is no specific written tax regulation to confirm the same. In practice, the PRC tax authorities have not actively enforced the collection of PRC withholding income tax on gains realized from the disposal of the PRC debt securities. Should PRC tax authorities decide to levy tax on such gains in the future, QFII Investments may be materially adversely impacted.

PRC Stamp Duty. A PRC stamp duty is generally imposed on the purchase and sale of shares of PRC publicly traded companies at a rate of 0.1% of the purchase/sales consideration. According to regulations effective from September 18, 2008, the purchase of shares of PRC-listed companies will not be subject to stamp duty and only the selling party will be subject to stamp duty. The holder of a QFII license is subject to stamp duty on each sale made in PRC-listed shares, which may adversely affect investment returns.

PRC Value-added Tax (“VAT”) Risk. Pursuant to a tax circular issued by certain PRC tax authorities on March 23, 2016 (the “VAT Circular”), VAT pilot programs will be rolled out nation-wide to other sectors and the provision of service and transfer of immovable property or intangible property will be subject to VAT in lieu of business tax effective on May 1, 2016. The VAT Circular specifically provides that QFIIs are exempt from VAT with respect to gains derived from their securities trading activities in China. Furthermore, another VAT circular issued by the PRC tax legislator on June 30, 2016 came into effect retroactively on May 1, 2016 (the “Interbank VAT Circular”) and further clarifies that income derived by a foreign institution (including a QFII) which is duly recognized by the People’s Bank of China from the interbank local currency market (i.e. interbank bonds market) shall be exempted from VAT. Therefore, once the conditions set forth by the Interbank VAT Circular are satisfied, a QFII will also be exempt from VAT for its income from certain interbank transactions. Pursuant to the VAT Circular, interest income from PRC bond issuers should technically be subject to VAT. Interest received from government bonds and local government bonds are exempted from VAT.

Securities Markets Risk. The PRC securities markets, including the Shanghai Stock Exchange and Shenzhen Stock Exchange, are undergoing a period of growth and change that may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. In addition, there is regulation and enforcement activity in the PRC securities markets that may not be equivalent to markets in countries that are members of the Organization for Economic Co-operation and Development (“OECD”), including the U.S. There may not be regulation and monitoring of the PRC securities markets and activities of investors, brokers, and other participants equivalent to that in certain OECD markets. Client investments may be disrupted if changes are adopted in any applicable laws or regulations such that it becomes illegal for the issuers to issue certain instruments. Such changes, if implemented, may cause HCA’s clients to suffer substantial losses.

Liquidity Risk. Some companies or investments in which HCA’s clients invest may not be well known, may have few shares outstanding, or may be particularly susceptible to political and economic events. Securities issued by these companies may be difficult to buy or sell and the value of such securities may rise and/or fall substantially before such securities may be bought or sold.

Trading Volumes and Volatility Risk. The Shanghai Stock Exchange and Shenzhen Stock Exchange have lower trading volumes than many OECD exchanges and the market capitalizations of listed companies are small compared to those on more developed exchanges. The listed equity securities of many companies in the PRC are accordingly materially less liquid, subject to greater dealing spreads, and experience materially greater volatility than many securities in OECD countries. Government supervision and regulation of the PRC securities market and of quoted companies may be considered less developed than in some OECD

countries. The PRC stock market has, in the past, experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future.

Currency Risk; Liquidity and Exchange Controls. Changes in currency prices may adversely affect the base currency value of a client's portfolio investments and gains and losses on the sale of portfolio investments. Clients may also incur costs in converting investment proceeds from one currency to another. At present, RMB is a restricted currency and is not freely convertible. The conversion is subject to approval from SAFE. HCA's clients may be exposed to exchange control risk in connection with their investments. The PRC authorities may change the current exchange control such that it may adversely impact the liquidity of HCA's clients' investments and an active secondary market may not be developed or maintained.

Nature of Investment. Certain clients may invest in companies that are experiencing or are expected to experience severe financial difficulties, which difficulties may never be overcome. Clients may also make investments in companies in a conceptual or early stage of development that may not have a proven operating history on which to judge future performance. Such investments are considered highly speculative and may result in the loss of the relevant clients' entire investment. Since certain clients may only make a limited number of investments and since many of HCA's investments may involve a high degree of risk, poor performance by a few of its investments could significantly reduce the total returns to such clients.

Third Party Involvement. HCA's clients may co-invest in portfolio companies with one or more third parties. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor may have financial, legal, or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with the relevant clients, or may be in a position to take or block action in a manner contrary to such clients' investment objectives. In addition, the clients may, in certain circumstances, be liable for the actions of such third-party co-investors. In circumstances where a management group is included as a third-party co-investor, such third party may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Reliance on the Management of Portfolio Companies. Although it is HCA's intention to ensure that portfolio companies have strong management teams, there can be no assurance that any portfolio company's management team will be able to operate successfully. With respect to early-stage or recently developed investment opportunities, HCA may have limited ability to evaluate the management of such companies based on past performance, and such companies may rely more on individual members of the management team than would be the case for more established companies. Instances of fraud and other deceptive practices committed by the management teams of portfolio companies in which a client has an investment may undermine HCA's due diligence efforts with respect to such companies. If such fraud is discovered, it could materially adversely affect the valuation of a client's investments and may contribute to overall market volatility that could negatively impact a client's investments.

Uncertainty of Financial Projections. Projected operating results provided by companies or generated internally will normally be based primarily on management or internal judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at

the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

Difficulty of Bringing Suit. The ability of a client to bring suit against a portfolio company or its directors, executive officers or other shareholders may be limited. Portfolio companies are likely to be organized under the laws of the PRC, their directors and officers are likely to reside outside of the U.S., and substantially all of their assets may be located inside the PRC. As a result, it is likely that a client will be unable to effect service of process within the U.S. upon such entities or their directors and officers. Even where an entity is successfully sued in the U.S., enforcement of the judgment in certain jurisdictions is impossible and in other jurisdictions may be difficult.

Disclosure of Shares and Short Swing Profit Rule. Under PRC disclosure of interest requirements, clients investing in A Share Investments via Stock Connect or the QFII program may be deemed to be acting in concert with other funds managed by HCA and certain of its affiliates or a substantial shareholder or client of HCA, and therefore may be subject to the risk that the relevant client's holdings may have to be reported in aggregate with the holdings of other funds or clients should the aggregate holding trigger the reporting threshold under PRC law, which is currently 5% of the total issued shares of the relevant PRC listed company. This may expose clients' holdings to the public and may adversely impact the performance of such clients.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to clients' investments with the result that where the holdings of such clients (possibly with the holdings of other investors deemed as concert parties of the clients) exceed 5% of the total issued shares of a PRC listed company, the clients may not reduce their holdings in such company within six months of the last purchase of shares of such company. If clients violate the rule and sell any of their holdings in such company in the six month period, they may be required by the listed company to return any profits realized from such trading to the listed company. Moreover, under PRC civil procedures, the clients' assets may be frozen to the extent of the claims made by such company.

Local Intermediary Risk. Client transactions may be undertaken through local brokers, banks, or other organizations, and the clients will be subject to the risk of default, insolvency, or fraud of such organizations. Such local brokers, banks, and other organizations are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of insolvency. However, the practical effect of these laws and their application to clients' assets are subject to substantial limitations and uncertainties. There can be no assurance that any money advanced to such organizations will be repaid or that the clients would have any recourse in the event of default. The collection, transfer, and deposit of bearer securities and cash expose clients to a variety of risks including theft, loss, and destruction.

Item 9: Disciplinary Information

To HCA's knowledge, after due inquiry none of HCA, its affiliates, or any of their respective management personnel has been involved in, or subject to, any disciplinary events or legal

actions that would be material to a client's or prospective client's evaluation of HCA's advisory business or the integrity of HCA's management.

Item 10: Other Financial Industry Activities and Affiliations

Neither HCA nor any member of its management is registered, or has an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant ("FCM"), a commodity pool operator ("CPO"), a commodity trading advisor ("CTA"), or an associated person of a registered FCM, CPO, or CTA. HCA and certain of its affiliates act as CPOs for their clients, but they are exempt from registration with the Commodity Futures Trading Commission ("CFTC") pursuant to CFTC Rule 4.13(a)(3) under the U.S. Commodity Exchange Act, as amended. This exemption is based primarily upon the clients' limited commodity interest trading. Unlike registered CPOs, HCA and its relevant affiliates are not required to deliver to investors disclosure documents or certified annual reports contemplated by CFTC rules applicable to registered CPOs. Likewise, HCA and certain of its affiliates act as CTAs for some of their clients, but are exempt from registration as CTAs and therefore are not required to satisfy certain requirements contemplated by CFTC rules applicable to registered CTAs.

Certain members of HCA's management constitute and/or serve as the directors of the general partners of pooled investment vehicle clients. Such relationships create a potential conflict of interest, which HCA seeks to address in a number of ways, including by disclosing the terms of the relevant partnership agreement to the client's underlying investors.

All qualifying HCA personnel (and qualifying personnel of the non-U.S. affiliates discussed in Item 4) are treated as "access persons" by HCA within the meaning of Rule 204A-1 under the Advisers Act, and are subjected to HCA's Code of Ethics. Please see Item 11, "Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading" below for additional information about HCA's Code of Ethics.

HCA is also affiliated through common ownership with HCM. HCM is an SEC-registered investment adviser that serves as the investment adviser to clients organized as privately offered pooled investment vehicles and may provide investment advice to certain managed accounts. HCM has discretionary authority to manage the pooled investment vehicles, including the authority to determine which investments are bought and sold and the amounts of such investments that are appropriate for each pooled investment vehicle. HCM-advised funds follow a substantially more diversified strategy compared to HCA's and have greater ability to engage in short sales where allowed on global exchanges.

HCA's investment advisory clients are limited to clients investing in A Share Investments and HCA's advice is provided on both a discretionary and non-discretionary basis. HCM and its clients may not have QFII licenses and, therefore, are precluded from investing in QFII Investments directly. However, a structured investment vehicle has been formed in connection with a QFII quota/license held by an affiliate of HCA and HCM, thereby permitting an HCM client to access QFII Investments. This structured investment vehicle is advised by HCA as to the investment of the relevant QFII Investments. There are no additional charges or fees incurred by the structured investment vehicle for HCA's services.

In addition, HCM may access A Share Investments through third-party derivative products or a limited number of securities covered by the Stock Connect program. Likewise, many companies that list A Share Investments also offer other classes of securities in jurisdictions or on exchanges outside of the PRC (“Parallel China Shares”). Consequently, investors in funds advised by HCM may obtain indirect exposure to A Share Investments through derivative instruments, Parallel China Shares, investing in other classes of securities issued by companies that also issue A Share Investments, or other arrangements, subject to availability of the aforementioned products. HCA and HCM may, in some instances, follow the same strategies with respect to A Share Investments or other similar securities, although there is no obligation for HCA and HCM to act at the same time or in the same manner. Therefore, investment results may differ as between HCA’s clients and HCM’s clients. To address these potential conflicts of interests, HCA has adopted policies and procedures, including a Code of Ethics. Please see Item 11, “Code of Ethics, Participation or Interest in Client Transaction, and Personal Trading,” below for additional information regarding HCA’s Code of Ethics.

HCA and HCM use shared personnel for certain services, including personnel of certain non-U.S. affiliates, as discussed in Item 4 above. Shared personnel may include back office personnel as well as professionals who provide portfolio advice. Such shared personnel may have conflicts of interest in allocating their time and resources between HCA and HCM. Different performance or management compensation structures or incentives may apply to shared personnel, which may also create a conflict of interest. HCA has adopted policies and procedures, including a Code of Ethics, to address these potential conflicts of interests.

Different performance and management fees may be charged for substantially similar products HCA manages or advises, which may also create a conflict of interest. Please see Item 5, “Fees and Compensation” above for information regarding how HCA is compensated by its clients, the potential conflict of interest created by allocating investment opportunities among clients, and how HCA addresses the potential conflict of interest.

HCA does not recommend or select other investment advisers for its clients. None of HCA, HCM, or any other affiliate receives compensation, directly or indirectly, from any of the others for any recommendation of the other. In addition, none of HCA, HCM, or any other affiliate, directly or indirectly, pays or receives compensation to or from third parties in connection with recommending advisory services.

Other conflicts not discussed above may arise in connection with HCA’s advisory business.

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

General Code of Ethics

HCA expects its employees to be responsible for maintaining the highest ethical standards when conducting business. In keeping with these standards, HCA’s employees must always place its clients’ interests ahead of their own. Moreover, HCA’s employees should adhere to the spirit as well as the letter of the law and be vigilant in guarding against anything that could inappropriately skew their judgment.

Pursuant to Rule 204A-1 under the Advisers Act, HCA has adopted a Code of Ethics (the “Code”) which sets forth standards of business and personal conduct for all HCA employees, and addresses conflicts of interest that may arise from personal trading by employees or gifts and entertainment received or provided by employees. The Code sets forth, among other things, standards for the purpose of deterring wrongdoing and promoting: (i) honest and ethical reporting; (ii) full, fair, accurate, timely, and understandable disclosure in reports and documents; (iii) compliance with applicable laws, rules, and regulations; (iv) prompt internal reporting of violations of the Code; and (v) accountability for adherence to the Code. Clients or potential clients may obtain a copy of the Code free of charge by writing to HCA’s Chief Compliance Officer at the address on the cover page of this brochure.

As discussed in Item 10, qualifying personnel of the non-U.S affiliates discussed in Item 4 are treated as “access persons” by HCA within the meaning of Rule 204A-1 under the Advisers Act, and are subjected to HCA’s Code of Ethics.

Interest in Client Transactions

Clients of HCA and its affiliates (such persons, the “Other Hillhouse Investors”) may hold investments similar to or the same as those made or proposed to be made by other of HCA’s clients. Investments held by Other Hillhouse Investors may be in the same or similar securities as those held by HCA’s other clients, but acquired at different times, at lower or higher prices or valuations, and on different terms than those upon which HCA’s clients acquire an investment. The different prices paid for, or terms of, securities held by the Other Hillhouse Investors may create conflicts of interest. HCA has adopted an aggregation and allocation policy to help assure investment opportunities are recommended or allocated in a fair and equitable manner. As described more fully in Item 5 under “Fees and Compensation,” HCA takes various factors into account in making recommendation and allocation decisions.

Please see Item 5, “Fees and Compensation,” and Item 10, “Other Financial Industry Activities and Affiliations,” above for a discussion of the potential conflict of interest created by allocating investment opportunities among client accounts and how HCA addresses the potential conflict of interest.

Personal Trading

The Code is designed to assure that the personal securities transactions, activities, and interests of HCA’s employees do not interfere with their judgment in advising HCA’s clients. HCA discourages its employees from personal trading due to the conflicts of interest (real and apparent) that such trading may present. Employees must seek pre-clearance for all reportable personal securities transactions and provide post-trading details of all approved personal trades. Employees also must provide HCA with detailed information regarding their reportable personal securities holdings, which they must update on a quarterly basis. Although employees are not prohibited from personal trading, employees are prohibited from short-term trading or speculation, and employees must present any investment opportunities suitable for any investment strategy of HCA’s clients to such clients prior to engaging in any transaction related thereto for personal benefit. To minimize the risk of potential conflicts of interests, employees and their immediate family members may not, directly or indirectly, make personal trades in any

security, company, asset, or investment product (i) located in or having a substantial business relation to Asia or (ii) under research, traded in, or contemplated to be traded in by HCA, in each case without the consent of the Chief Compliance Officer.

Service on Boards of Directors

Representatives of HCA, HCM, or their other affiliates may, from time to time, serve on the boards of directors of portfolio and other companies. A HCA representative serving as a director for a company has fiduciary duties to the company, as well as to HCA's clients. These separate fiduciary obligations may create conflicts of interest that must be mitigated to ensure the HCA representative serving as director does not breach his or her fiduciary obligations. In addition, if HCA obtains material, non-public information by virtue of a representative serving as a director of a company, HCA may be precluded from trading or making a recommendation with respect to the securities of such company. HCA has adopted internal policies and procedures to address conflicts of interest that may arise in connection with service on the board of directors of a company.

Other Business Ventures

HCA, its affiliates and its clients may engage in other business ventures to the extent not prohibited by agreements with its clients, independently or with others, including ventures involving investing in securities or managing or participating in other investment funds, or pursuing co-investments with the private funds managed by HCA's affiliates or otherwise investing in portfolio companies independently of such affiliated private funds. Other ventures undertaken by HCA and its affiliates may be competitive with their client accounts and/or the private funds managed by HCA's affiliates. Conflicts of interest may arise as a result of such activities, including in allocating management time, services or functions and allocating investment opportunities.

In addition, as discussed above, HCA and its affiliates may provide investment advisory services to co-investment arrangements or portfolio companies, and may also invest directly or indirectly in investment opportunities. HCA recognizes the potential for conflicts in these situations and relies upon its allocation and other internal policies and procedures to ensure fair and equitable allocation of investment opportunities, and to address other potential conflicts of interest.

Other conflicts not discussed above may arise in connection with the management and operation of HCA's clients.

Item 12: Brokerage Practices

HCA provides discretionary and non-discretionary advice to its clients. HCA may make broker recommendations to certain of these clients and may also direct trades to brokers for other clients. HCA may choose various brokers for more efficient and/or less expensive transactions, or for non-financial relationship reasons. HCA endeavors to recommend or select brokers that provide the best execution for securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances ("Best Execution"). In recommending and/or selecting brokers to effect portfolio transactions, HCA considers various factors, including, without limitation: price; quality of execution, including the reliability,

promptness, level of accuracy and confidentiality in executing orders; extensiveness of the broker's distribution network; commission rates or other transaction costs; HCA's access to the broker's trading desk; the broker's familiarity with HCA's investment practices; and the value of certain brokerage or research services. HCA does not consider whether it receives referrals from a broker-dealer or third party in recommending or selecting a broker. In any event, non-discretionary account clients are not under any obligation to select the broker that HCA has recommended.

Directed Brokerage

Clients may sometimes request that HCA use a particular broker-dealer to effect transactions in recognition of services the clients receive from the broker-dealer or from a third party. Agreement to any such request by a client must be pre-approved by HCA's Chief Compliance Officer. A client's direction of brokerage services may cost the client more money and may prevent the client from receiving the most favorable execution of the client's transactions.

Soft Dollar Arrangements

HCA may enter into arrangements whereby HCA receives research or other products or services (other than execution) from a broker or other third party in connection with client securities transactions, known as "soft dollar benefits." These soft dollar benefits would be received in connection with commission fees paid to those brokers to execute client transactions. These research products and services would be intended to provide HCA with valuable research and services that HCA would otherwise have to produce or purchase from third parties with its own funds.

Any transaction in which soft dollar benefits are being received will be carefully evaluated to determine that the transaction complies with HCA's duty to seek Best Execution. However, as a result of any soft dollar benefits HCA receives, HCA may have an incentive to select or recommend a broker based on receipt of soft dollar benefits.

Section 28(e) of the Securities Exchange Act of 1934 establishes a safe harbor allowing investment managers to use client funds, by way of commission dollars, to purchase certain "brokerage and research" services. Pursuant to this safe harbor, the brokerage and research services must provide HCA with lawful and appropriate assistance in the performance of its investment decision-making responsibilities. Further, HCA will make a good faith determination that the amount of commissions paid by clients is reasonable in light of the value of the brokerage or research services received. This means that clients may pay commissions to a broker in an amount greater than the amount another broker might charge.

HCA believes that the products or services it may obtain through soft dollar arrangements would benefit all of its relevant client accounts, rather than benefitting just one account. HCA currently does not require soft dollar benefits to be allocated proportionately to the amount of soft dollar benefits generated by each client account. Therefore, it is possible that such soft dollar benefits may provide a benefit to some clients who have not generated a proportionate share of commissions used to pay for these benefits. However, it is also possible that clients may benefit from these arrangements to a greater extent than the commissions they generated.

HCA has instituted certain procedures governing soft dollar benefits. Soft dollar benefits may be received from a broker in consideration of directing transaction business on behalf of a client to the broker only if:

- The soft dollar products or services fall within the Section 28(e) safe harbor;
- The soft dollar products or services are of demonstrable benefit to HCA's clients;
- HCA seeks to affirm that the soft dollar product or service assists in the investment decision-making process and the commissions paid are reasonable in relation to the products or services received;
- Transaction execution is consistent with Best Execution standards and brokerage rates are not in excess of customary full-service brokerage rates;
- Disclosure is made to HCA's clients of its practices for receiving the soft dollar products or services; and
- The client(s) has consented in writing to the receipt of soft dollar products or services.

Trade Aggregation

HCA does not aggregate or bunch certain client orders since A Share Investments are generally processed separately with respect to each client.

Item 13: Review of Accounts

HCA reviews and evaluates its clients' investment objectives and performance on a quarterly basis. HCA also reviews strategies to ensure compliance with investment objectives and restrictions. Reviews are primarily conducted by the relevant portfolio manager and may periodically be conducted by an Investment Committee that is comprised of HCA's Chief Investment Officer and other senior members of HCA's research team.

Client Reports

In connection with making QFII Investments, HCA's clients are required to engage a custodian to assist with holding client assets, reporting, and other related activities. HCA urges clients to carefully review statements and reports received from their broker-dealers, banks and other qualified custodians and to compare any account statements received from HCA against information received from their qualified custodian. To the extent requested by HCA's managed account clients' or its managed account clients' custodian, HCA provides a written copy of its transaction reports or records related to such client's accounts to assist such client or clients' custodian with reconciliation of information. Within 30 days after the end of each calendar month or as soon thereafter as is reasonably possible, HCA or one of its affiliates delivers an unaudited statement of an estimate of such client's account and account balance(s) and any capital contributions or withdrawals by such client since the preceding month-end.

HCA's pooled investment vehicle client's investors receive an annual report containing audited financial statements following the end of such client's fiscal years. Such client's investors also receive relevant tax information for the client in which they are invested. In addition, HCA's third-party administrator delivers to investors an unaudited statement of an estimate of the account and account balance(s) and any capital contributions or withdrawals since the preceding

month-end generally within 30 days after the end of each calendar month or as soon thereafter as is reasonably possible. These written financial statements and reports typically do not include a listing of portfolio investments.

Item 14: Client Referrals and Other Compensation

Neither HCA nor a related person of HCA, directly or indirectly, compensates any person for client referrals. Should HCA determine to enter into a solicitation arrangement for client referrals, HCA will disclose the arrangement in writing as required by Rule 206(4)-3 under the Advisers Act and will comply with all other applicable requirements of the Rule.

No person, other than HCA's clients, provides HCA with an economic benefit for providing advisory services to its clients. Please see Item 12, "Brokerage Practices" above for a discussion of certain soft dollar benefits that HCA may receive in connection with certain brokerage relationships.

A related person of HCA may, from time to time, serve as a director on the board of a public or private company in which one or more of HCA's clients invest. HCA may receive director's fees in connection with such service. Item 11, "Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading," further describes HCA's process for addressing conflicts of interest created by its related persons serving as directors.

Item 15: Custody

HCA may be deemed to have custody over certain of its clients' assets under Rule 206(4)-2 of the Advisers Act (the "Custody Rule") because of its authority to access client assets. The term "custody" is defined under the Custody Rule as holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. HCA does not physically hold client assets. Instead, HCA maintains client securities and funds over which it has custody with a "qualified custodian" in accordance with the Custody Rule. Client funds and securities are held with a bank, broker-dealer or other independent, qualified custodian. HCA's Chief Compliance Officer is responsible for ensuring that any qualified custodian with custody of client assets is properly qualified. Further, HCA may satisfy the audit provision of Rule 206(4)-2 under the Advisers Act - the Custody Rule - through an annual audit of the relevant client. Where required, audited financial statements are prepared and delivered to underlying investors in accordance with the Custody Rule. Please see Item 13, "Review of Accounts" above for further information about client reports and account statements.

Item 16: Investment Discretion

HCA provides advisory services on both a discretionary and non-discretionary basis. HCA's Chief Investment Officer, in consultation when appropriate with HCA's Chief Compliance Officer, is primarily responsible for ensuring that the securities or other financial instruments that HCA advises its clients to invest in are consistent with the respective client's investment objectives and, in any event, the approval of both such officers will be required for HCA to assume discretionary authority to manage a client's investments. As noted above under Item 7, "Types of Clients," all clients must enter into written investment advisory agreements with HCA before HCA will enter into any advisory relationship with a prospective client. HCA only

provides advice regarding securities or other financial instruments consistent with client objectives, and HCA specializes its investment advisory services with respect to A Share Investments.

HCA also serves as investment adviser to a private pooled investment vehicle pursuant to a written investment management agreement. Pursuant to the existing agreement, HCA has discretionary authority to manage assets on behalf of its fund client, including authority to determine which investments are bought and sold and the appropriate amounts. Any limitation on HCA's authority is described in the written investment management agreements and/or the fund's governing documents. HCA only purchases and sells securities or other financial instruments consistent with the client's objectives. HCA's Chief Investment Officer, in consultation when appropriate with HCA's Chief Compliance Officer, is primarily responsible for ensuring that client investments are consistent with the relevant client's investment objectives.

Certain of HCA's clients may place limits on HCA's investment advice. Illiquid investments present unique suitability considerations. HCA may only recommend illiquid investments with the approval of HCA's Chief Compliance Officer.

Further, before new clients are accepted, HCA's Chief Investment Officer and Chief Compliance Officer will jointly assess and approve HCA's management of such client investments.

Item 17: Voting Client Securities

HCA has and will accept proxy voting authority to vote client securities. This creates a potential conflict of interest because of the possibility of HCA voting client securities to further its own interests at the expense of its clients' interests. HCA takes seriously its responsibility to exercise proxies on behalf of clients and have adopted written policies and procedures to do so in a manner consistent with Rule 206(4)-6 promulgated under the Advisers Act. These policies and procedures are reasonably designed to ensure that proxies are voted in the best interest of HCA's clients, which generally means voting proxies with a view to enhancing the value of client securities.

The financial interest of HCA's clients is the primary consideration in determining how proxies should be voted. Further, as the decision to invest in a company normally represents confidence in the company's management, HCA will typically give serious consideration to management recommendations. HCA will generally support management recommendations regarding internal operations and those without significant economic effects. Conversely, management proposals that are likely to have significant economic effects, involve management interests or where HCA lacks confidence in the management team will be subject to greater scrutiny on a case-by-case basis. The following is a brief summary of principles, rather than rules, that reflect the long-term approach that guides (but does not obligate) HCA's investment and proxy voting decisions regarding common proxy proposals.

1. Board of Directors: HCA will generally support resolutions that promote the effectiveness of boards in acting in the best interest of shareholders. HCA generally supports the election of a majority of independent directors.

2. Auditors and Auditor Compensation: Where all members of a company audit committee are independent, HCA will generally support the election of directors, the appointment of auditors, and the approval of the auditor compensation recommended by the board of directors.
3. Changes in Capitalization: HCA recognizes the need for the management of a company to have flexibility to issue or repurchase shares to meet changing financial conditions. HCA will generally support changes in capitalization when a reasonable need for change is demonstrated. HCA is, however, aware that new shares may dilute the ownership interest of shareholders, and HCA will not generally support changes resulting in excessive dilution of existing shareholder value.
4. Corporate Restructuring, Mergers, and Acquisitions: HCA believes proxy votes dealing with corporate reorganizations are an extension of the investment decision. Accordingly, HCA will analyze such proposals on a case-by-case basis, weighing heavily the views of its research analysts that cover the company and its investment professionals managing the portfolios in which the stock is held.
5. Management Compensation: HCA's goal is to support compensation arrangements that are tied to long-term corporate performance and shareholder value. These arrangements should better align management's interests with those of shareholders and should induce management to purchase and hold equity in the company. Stock option plans that are overly generous or excessively dilutive to other shareholders generally will not be supported.
6. Other Issues: HCA will address business issues specific to a company or those raised by shareholders of a company on a case-by-case basis with a focus on the potential impact of the vote on value for its clients.

Procedurally, HCA will take reasonable measures under the circumstances to obtain knowledge of meetings and other events giving rise to solicitation of proxies, assure that proxies are received in sufficient time for HCA to take action, vote proxies, and return the proxies to the parties soliciting them in time to be counted. Clients may direct (in certain cases) the vote of HCA in a particular solicitation, obtain information from HCA about how it voted clients' securities and obtain a copy of HCA's proxy voting policies and procedures by writing to Hillhouse Capital Advisors, Ltd., Attn: Chief Compliance Officer, at the address on the cover page of this Brochure.

If a HCA representative serves on the board of directors for a portfolio company in which a client invests, unique conflicts of interest in relation to proxies may exist. In such circumstances, HCA's Chief Compliance Officer or its designee will undertake a review prior to any vote by the proxy recipient to determine whether a material conflict of interest exists between the applicable HCA representative and the interests of the client, or between the HCA representative and the client and company shareholders. In the event a material conflict of interest is identified, the Chief Compliance Officer or his or her designee will take such steps as he or she deems necessary to determine how to vote the proxy in the best interests of the relevant client. In each

instance, when exercising their voting discretion, HCA's representatives will seek to avoid any direct or indirect conflict of interest between the client(s) and their voting decisions.

Item 18: Financial Information

There is no financial condition that is reasonably likely to impair HCA's ability to meet its contractual commitments to clients.