

Neon Liberty Capital Management LLC

Part 2A of Form ADV: Firm Brochure

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

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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.

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

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

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2. Material Changes

We are updating this Form ADV Part 2A as part of an annual update. We filed our last annual update on March 31, 2018. There have been no material changes since the last annual update.

3. Table of Contents

4.	Advisory Business	4
5.	Fees and Compensation	5
6.	Performance-Based Fees	8
7.	Types of Clients	8
8.	Method of Analysis, Investment Strategies and Risk of Loss	8
9.	Disciplinary Information	13
10.	Other Financial Industry Activities and Affiliations	13
11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
12.	Brokerage Practices	15
13.	Review of Accounts	16
14.	Client Referrals and Other Compensation	17
15.	Custody	17
16.	Investment Discretion	17
17.	Voting Client Securities	18
18.	Financial Information	19

4. Advisory Business

- A. Neon Liberty Capital Management, LLC, a Delaware limited liability company, (also referred to as “Neon”) is owned by Neon Capital Management LP (which is owned by Mr. Satyen Mehta & Mr. Alejandro Baez-Sacasa) and M.T.J.C., LLC, a passive investor. The principal owners founded the firm in 2002, and Neon registered with the SEC as a registered investment advisor in 2008.
- B. We provide investment management services to private pooled investment vehicles, including domestic and offshore investment funds. Our clients consist of:
- Emerging Markets Fund: Neon Liberty Emerging Markets Fund LP, a domestic “master fund” in a master-feeder structure that includes an offshore feeder fund, Neon Liberty Emerging Markets Fund Ltd. We consider the master fund, and not the offshore feeder fund, as our client because the feeder fund places all of its investable assets in the master fund, and all investment activities and investment discretion are conducted at the master fund level where we act as investment manager to the master fund.
 - Lorikeet Funds: Neon Liberty Lorikeet Master Fund LP, a domestic “master fund” in a master-feeder structure that includes a domestic feeder fund, Neon Liberty Lorikeet Fund LP, and an offshore feeder fund, Neon Liberty Lorikeet Fund Ltd. We consider each of the Lorikeet Funds as a client because we have discretion to invest the feeder funds’ investible assets outside of the master fund.
 - Wei Ji Funds: Neon Liberty Wei Ji Master Fund LP, a domestic “master fund” in a master-feeder structure that includes a domestic feeder fund, Neon Liberty Wei Ji Fund LP, and an offshore feeder fund, Neon Liberty Wei Ji Fund Ltd. We consider each of the Wei Ji Funds as a client because we have discretion to invest the feeder funds’ investible assets outside of the master fund.
 - Japan Chickadee Fund: Japan Chickadee Fund, LP, a domestic “master fund” in a master-feeder structure that includes an offshore feeder fund, Japan Chickadee Fund Ltd. We consider the master fund, and not the offshore feeder fund, as our client because the feeder fund places all of its investable assets in the master fund and all investment activities and investment discretion are conducted at the master fund level where we act as investment manager to the master fund.
 - NLCF Fund: NLCF Fund LP, a stand-alone domestic fund that trades in parallel with the Lorikeet Funds.
- C. Our clients are managed in accordance with the objectives and policies set forth in their respective offering documents and pursuant to the terms of the respective investment management agreement between us and each client. While we strictly adhere to the investment strategy set forth in each client’s offering document, clients may not otherwise impose restrictions on investing in certain securities or types of securities.

- D. We do not participate in any wrap-fee programs.
- E. As of December 31, 2018, we managed \$ 1,449,955,000 in assets on a discretionary basis. We do not manage any assets on a non-discretionary basis.

5. Fees and Compensation

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

Additionally, our affiliates generally receive performance-based compensation based on a percentage of each fund investor's annual net realized and unrealized profits at the end of each fiscal year or upon a withdrawal event, subject to a "high water mark" limitation, and subject to a hurdle, where applicable (see below). We typically structure our performance-based compensation as profit-sharing allocations through general partner interests that our affiliates hold in our client funds. Performance-based compensation is allocated at the master fund levels, and no separate performance-based compensation is taken at the feeder fund levels.

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

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

Asset-Based Management Fees:

Emerging Markets Fund: 1.5% of the net asset value of each Series A and Series D investor's capital account, annually; 1.25% of the net asset value of each Series B and Series E investor's capital account, annually; and 1% of the net asset value of each Series C and Series F investor's capital account, annually.

Lorikeet Funds: 1.5% of the net asset value of the Lorikeet master fund indirectly attributable to each Class B and Class D investor's capital account and each Class Lorikeet E and Class Lorikeet G investor's capital account, annually; and 1.25% of the net asset value of the master fund indirectly attributable to each Class C and Class E investor's capital account and each Class Lorikeet F and Class Lorikeet H investor's capital account, annually.

Wei Ji Funds: 1.25% of the net asset value of each Class A and Class C investor's capital account, annually; 1.5% of the net asset value of each Class B investor's capital account, annually.

Japan Chickadee Fund: 1.5% of the net asset value of each Series A investor's capital account, annually; 1.25% of the net asset value of each Series B investor's capital account, annually.

Performance-Based Compensation:

Emerging Markets Fund: 20% annually of the client's annual net profits attributable to each Series A and Series D investor's capital account, subject to a high water mark; and 15% annually of the client's annual net profits attributable to each Series B, Series C, Series E and Series F investor's capital account, subject to a one-time "hurdle rate" of 5% applied to each capital contribution and a high water mark. Thus, the performance-based compensation for Series B, Series C, Series E and Series F interests only applies to the extent that net profits attributable to each capital contribution measured on a cumulative basis, net of any losses, for all fiscal years since such capital contribution was made exceeds 5%. Once the "hurdle rate" is achieved, the performance-based compensation applies at the close of such fiscal year to all net profits. A high water mark ensures that we only receive performance-based compensation when the client's account value is greater than its previous greatest value (reduced pro rata by any withdrawals of capital by an investor). Should the account drop in value, then it must exceed the previous greatest value before we can receive performance compensation again.

Lorikeet Funds: 20% annually of the Lorikeet master fund's annual net profits indirectly attributable to each Class B and Class D investor's capital account and each Class Lorikeet E and Class Lorikeet G investor's capital account and 15% annually of the Lorikeet master fund's annual net profits indirectly attributable to each Class C and Class E investor's capital account and each Class Lorikeet F and Class Lorikeet H investor's capital account, subject to a high water mark (as described above) and a one-time "hurdle rate" of 5% applied to each capital contribution (as described above).

Wei Ji Funds: For Class A investors, 20% of the profits of the Wei Ji master fund indirectly attributable to each investor's capital account, subject to a high water mark (as described above) and an annual "hurdle rate" of 5% for all fiscal years since admission applied to each capital contribution. The performance-based compensation only applies to net profits in excess of the "hurdle rate." For Class B and Class C investors, 10% and 7.5%, respectively, annually of the annual profits of the Wei Ji master fund indirectly attributable to each investor's capital account, subject to a high water mark (as described above).

Japan Chickadee Fund: 10% annually of the client's annual net profits attributable to each Series A investor's capital account, subject to a high water mark (as described above); and 7.5% annually of the client's annual net profits attributable to each Series B investor's capital account, subject to a high water mark.

- B. Management fees are deducted from client assets quarterly in advance. We generally deduct performance-based compensation at the end of each fiscal year (June 30th in the case of the Emerging Markets Fund Ltd.) or when investors in a client make a withdrawal or redemption (but only on the amount withdrawn or redeemed). In the case of the Wei Ji Funds' Class A investors, performance-based compensation is only taken upon distribution of capital.

- C. Each client bears all its own organizational and operational expenses, as permitted by the relevant client's governing documents. Clients generally are responsible for the following types of organizational and operational expenses:
- legal fees (including settlement costs);
 - costs of any litigation or investigation involving the fund's activities;
 - accounting costs (including tax preparation and audit expenses);
 - administration costs and out-of-pocket expenses incurred in connection with the operation and administration of the fund;
 - director & officers and errors & omissions insurance;
 - costs associated with reporting and providing information to investors;
 - any governmental, regulatory, licensing, filing or registration fees (including legal fees and expenses) imposed on the fund, the fund's general partner and our firm; and
 - withholding and/or transfer taxes.

Each client also bears all its investment-related expenses, as permitted by the relevant client's governing documents. Clients generally are responsible for the following types of investment-related expenses:

- expenses related to proxies, underwriting and private placements;
- interest and commitment fees on loans and debit balances;
- borrowing charges on securities sold short;
- custodial fees;
- brokerage commissions;
- trade processing fees, including clearing and settlement charges;
- costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged in connection with the fund's investment program;
- tax consulting fees;
- fees and profit-sharing payments due to unaffiliated advisors, sub-advisors;
- consultants and finders (however, we do not currently charge this expense to clients, nor is there intent to do so at this time);
- expenses incurred in obtaining systems, research and other information utilized with respect to the Partnership's investment program
- ordinary miscellaneous trade-related expenses; and
- out-of-pocket expenses incurred in connection with the client's investment program.

In addition, each of our fund clients that conducts most of its investment activities through a master fund bears its share of the expenses listed above incurred by the applicable master fund.

Investors should review the confidential offering memorandum of the Fund in which they are invested to fully understand the types of fees and expenses paid for by the relevant Fund. While clients generally are responsible for the above expense types pursuant to each client's respective governing documents, Neon may determine not to allocate them to clients.

For more information on brokerage transactions and costs, please see Section 12: Brokerage Practices.

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

- D. Management fees are paid in advance. In an instance where an investor withdraws their investment other than at the end of a quarter, management fees will be prorated to reflect the amount of time during the quarter the investor was subscribed to the fund.
- E. Neither our firm nor any of our principals or employees receives any transaction-based compensation for the sale of securities or other investment products.

6. Performance-Based Fees

Our affiliates generally receive performance-based compensation from each client, as described in Section 5: Fees and Compensation. We do not currently have any clients that are not charged performance-based compensation. The existence of the performance-based compensation may create an incentive for us or our affiliates to make riskier or more speculative investments. Additionally, certain clients may be subject to higher performance-based compensation than other clients, which could create an incentive for us to favor those clients that pay us higher compensation. We seek to manage any potential conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each client's offering documents.

7. Types of Clients

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

Investment Requirements

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

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

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

A. Method of Analysis:

We use a variety of sources for developing investment strategies and for recommending investments to be included in our clients' portfolios. Our internal research team analyzes

companies and is a principle source of investment ideas. In addition, we use charting, fundamental, cyclical, and technical research, industry contacts and conferences and services such as those provided by Bloomberg, Reuters, Factset and various brokerage firms to perform our analysis.

Investment Strategy:

Emerging Markets Fund: We invest in securities of small and mid-capitalization issuers in countries generally considered to be relatively less developed or industrialized (“emerging/frontier markets”) or in issuers organized in more developed markets that derive a large portion of their revenues or earnings from emerging/frontier markets. The fund’s private placement memorandum describes the fund’s investment strategy in more detail.

Lorikeet Funds and NCLF Fund LP: We focus on securities of small and mid-capitalization companies in emerging/frontier markets. The offering documents of the relevant fund describe the fund’s investment strategy in more detail.

Wei Ji Funds: We invest in emerging/frontier market securities generally trading at a discount to their “net current assets.” The offering documents of the relevant fund describe the fund’s investment strategy in more detail.

Japan Chickadee Fund: We invest in Japanese securities generally trading at a discount to their intrinsic values. The fund’s private placement memorandum describes the fund’s investment strategy in more detail.

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

B. Risk Factors:

All investments involve a risk of loss and we cannot guarantee that any investor in our client funds will not lose some or all the value of their investment. The following is a description of the various strategies that we utilize in advising our clients and some important risks associated with each strategy. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in our investment strategies.

Hedging. We occasionally engage in hedging strategies designed to reduce the overall level of risk in our clients’ portfolios. For example, we may invest directly or indirectly in foreign currencies in an attempt to reduce the impact of currency exchange rate fluctuations on the value of client holdings that are denominated in a foreign currency. There can be no assurances that a particular hedge will be effective. Consequently, these strategies may result in poorer overall performance and increased risk than if we did not employ hedging strategies at all.

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

Short Sales. With respect to certain clients, we occasionally maintain equity securities on both a long and short basis on behalf of our clients. While long positions represent the client's ownership of securities, short positions represent obligations of the client to deliver specified securities at a future time. By entering into short sales, the client bears the market risk of increases in value of the security sold short in excess of the proceeds received. As there is no limit with respect to how much the value of an equity security might increase, short sales entail a risk of loss that is unlimited and, therefore, may be substantially greater than the value of the proceeds received. To mitigate the risk of loss, we continuously mark to market and monitor long and short positions. Investment in securities and securities sold short are subject to margin requirements.

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

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

In general, a derivative contract typically involves leverage, i.e. it provides exposure to potential gain or loss from a change in the level of the market price of a security or currency (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. For example, because many derivatives are leveraged, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose the Partnership to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom we contract on behalf of the clients for the purpose of making derivative investments (the "Counterparty"). In the event of the Counterparty's default, the clients will only rank as an unsecured creditor and risk the loss of all or a portion of the amounts they are contractually entitled to receive. Many of the derivative contracts used by us will be privately negotiated in over-the-counter markets. These contracts also involve exposure to credit risk since contract performance depends in part on the financial condition of the counterparty. These transactions are likely to involve significant transaction costs.

Options. With respect to certain clients, we occasionally engage in transactions in equity options and warrants as part of the clients' investment strategy. The clients could lose the expected benefit from an option transaction and may incur losses if the prices of the underlying instruments move in an unanticipated manner. The writer of a put or call option is exposed to the risk of loss if the market price

of the underlying securities or currencies decline (in the case of a put option) or increase (in the case of a call option). The seller (writer) of a call option, which is covered (*e.g.*, the writer holds the underlying security), assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (paid to establish the short position) of the underlying security less the premium received and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

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

- the risk of nationalization or expropriation of assets or confiscatory taxation;
- social, economic and political uncertainty including war;
- dependence on exports and the corresponding importance of international trade;
- price fluctuations, less liquidity and smaller capitalization of securities markets;
- currency exchange rate fluctuations;
- rates of inflation (including hyperinflation);
- controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for U.S. dollars;
- governmental involvement in and control over the economies;
- governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies;
- differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers;
- less extensive regulation of the securities markets;
- longer settlement periods for securities transactions;
- less developed corporate laws regarding fiduciary duties of officer and directors and the protection of investors;
- certain considerations regarding the maintenance of Fund portfolio securities and cash with non-U.S. sub-custodians and securities depositories;
- small companies and unseasoned issuers' limited marketability may create volatility and difficulty buying or selling significant amounts without an unfavorable impact on prevailing prices;
- small companies and unseasoned issuers may have limited product lines, markets or financial resources and may lack management depth; and

- overall greater volatility.

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

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

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

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

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

Risks of Execution of Investment Strategies and Trade Errors. We make investments on behalf of our clients in a number of securities and obligations that entail substantial inherent risks.

Although we attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased by us on behalf of our clients will in fact increase in value or that our clients will not incur significant losses. Additionally, we attempt to minimize trade errors by promptly reconciling trade confirmations, and by reviewing past trade errors to understand any internal control breakdown that may have caused the errors. The cost of trade errors in a client's account are borne by such client unless an error is the result of recklessness, gross negligence, or willful misconduct by our

firm. We do not use soft dollars or commitments of future brokerage business to compensate any broker-dealer for absorbing the cost of a trade error. However, to the extent that we can demonstrate that a broker-dealer was partly or entirely responsible for a trade error, that broker-dealer may be asked to bear part or all of the cost of the error. If we believe that a broker-dealer is responsible for a trade error, but the broker-dealer is unwilling to make a client whole for the error, such issues will be considered by us and resolved in a manner we believe to be fair to the client.

Use of non-U.S. Custodians. Custodians safekeep and segregate clients' investment assets and provide a broad range of related financial services. While the use of foreign custodians is necessary for our firm to conduct business, many foreign custodians are not subject to the same level of regulation as U.S. custodians.

- C. We do not recommend primarily any single type of security. Our clients' investments are rather diversified, yet we still encourage our investors to consider all of the risk factors we have explained, as any investment can be risky and investors must be prepared to assume any potential loss.

9. Disciplinary Information

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

10. Other Financial Industry Activities and Affiliations

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

documents.

Notwithstanding the foregoing, certain conflicts of interest exist due to better transparency and liquidity rights granted to a certain client. In satisfying redemption requests for this client, we may have to sell securities held by this client before we sell the same securities held by other clients.

Neon and/or its personnel maintain relationships with service providers who invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services to Neon and/or the Funds. Neon may have a conflict of interest in recommending the retention or continuation of a third-party service provider, in that Neon has an incentive to maintain goodwill between it and the investor/service provider while the products or services recommended may not necessarily be the best available to Neon Liberty and/or the Funds. However, neither our firm nor any of our directors, officers or the principal has any material relationship with any of the following:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker;
- other investment adviser or financial planner;
- futures commission merchant, commodity pool operator or commodity trading advisor;
- banking or thrift institution;
- accountant or accounting firm;
- lawyer or law firm;
- insurance company or agency;
- pension consultant;
- real estate broker or dealer; or
- sponsor or syndicator of limited partnerships.

D. We do not recommend or select other investment advisers for our clients.

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

A. To help ensure that each of our employees conducts his or her affairs, including personal securities transactions, in a manner to avoid serving his or her own personal interests ahead of the interests of one or more of our clients and to avoid conflicts of interest, we have adopted a code of ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) which includes policies and procedures governing personal trading activities of our employees. A copy of the code of ethics is available upon request to our clients and any investor or prospective investor in our clients. Please send a written request for the code of ethics to Neon Liberty Capital Management, LLC, 600 Third Avenue, 26th Floor, New York, NY, 10016, U.S.A., Attn: Chief Compliance Officer.

From time to time we may deem it appropriate to cross positions internally. There may be a conflict of interest because a cross trade is not independently negotiated. Generally, we engage in cross trading in the market using VWAP¹ to determine the value. We endeavor to achieve a reduced commission in such circumstances where commissions can be reduced.

B. Neon’s Code of Ethics requires all principals and employees to pre-clear certain securities transactions, including initial public offerings and private placements, and to report securities transactions on a quarterly basis, and disclose all holdings on an annual basis. Our principals and employees are prohibited from purchasing or selling, directly or indirectly, any security in which he or she has, or by

reason of such transactions acquires, any direct or indirect beneficial ownership which would be harmful to any of the clients or which would serve the person's own personal interests ahead of the clients. Our personal trading policy prohibits partners and employees from trading in positions that may be considered for investment by any client without prior approval.

- C. Our principals and employees may not recommend to clients, or buy or sell securities for client accounts, at or about the same time that they buy or sell the same securities for their personal account.

12. Brokerage Practices

- A. In selecting broker-dealers and determining the reasonableness of their commissions for our clients' transactions, we seek to obtain best execution by taking into account any combination of the following qualitative and quantitative factors, among others:
- prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
 - operational efficiency;
 - financial strength, integrity and stability;
 - reputation;
 - risk in positioning a block of securities;
 - the quality, comprehensiveness and frequency of available research services considered to be of value;
 - value and quality of research, investment strategies, special execution capabilities, clearance, settlement, custody, record keeping and other services and items as described below provided through "soft dollar" arrangements;
 - price;
 - opportunity for price improvement;
 - anonymity;
 - liquidity;
 - speed of execution;
 - expertise with difficult securities;
 - trading style and strategy;
 - geographic location of the broker;
 - the number of errors committed by each broker; and
 - access to new issues.

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

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

1. Research and Soft Dollar Benefits. We may receive research products or services from brokers that fall within the "safe harbor" established by Section 28(e) of the Securities Exchange Act of 1934 in connection with our allocation of portfolio brokerage. We may pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokers that provide us with research products or services or to pay higher commissions to brokers if we determine such prices or

commissions are reasonable in relation to the overall services provided. Research products or services so received are in addition to and not in lieu of services required to be performed by us, and our fees charged to clients are not reduced as a consequence of the receipt of such supplemental research information. When we use client markups or markdowns to obtain research products and services, our firm receives a benefit because we do not have to produce or pay for the research products and services. The availability of these benefits may influence us to select one broker-dealer rather than another to perform services for clients, based on our interest in receiving the products and services instead of on our clients' interest in receiving the best execution prices. Obtaining these benefits may cause our clients to pay higher fees than those charged by other brokers. While we do not necessarily allocate soft dollar benefits to each client account in proportion to the soft dollar credits each client generates, the services received from our use of soft dollars generally benefit all of our clients. Nonetheless, while we have discretion to engage in soft dollars transactions which fall within the "safe harbor," we do not currently utilize soft dollars.

2. Brokerage for Client Referrals. We do not receive client referrals from brokers.
3. Directed Brokerage. We do not have any directed brokerage arrangements in place.
- B. Trade Aggregation and Allocation. Sometimes we decide that some or all of our clients should participate in the same investment opportunity. In this case, we generally seek to aggregate the purchase or sale of the securities for the participating client accounts, to the extent permitted by local law in the market where the trade is being executed. We then allocate the securities purchased (or sold) among our participating clients so that each client receives the same terms. We also seek to execute orders for all participating clients on an equitable basis. If we decide to invest at the same time for more than one of our clients, we place combined orders for all these accounts simultaneously, and, if all these orders are not filled at the same price, we average the prices paid where applicable. Similarly, if an order on behalf of more than one client account cannot be fully executed under current market conditions, we allocate the trade among the different client accounts on a pro rata basis. Generally, clients can benefit when we aggregate trades because we get volume discounts on execution costs. On the other hand, situations may occur where one client could be disadvantaged because of the investment activities we conduct for other clients. Neon may execute trades in certain markets where local law does not permit orders to be aggregated. In such instances, we enter separate orders on behalf of each participating client, which could result in certain clients receiving less favorable execution than others. For example, if the orders are not filled at the same price, we would not be able to average the prices paid by each client. Similarly, if all of the individual orders could not be fully executed under current market conditions, we would not be able to allocate the executed portion among the participating client accounts on a pro rata basis. We seek to mitigate this risk by working closely with the executing broker/dealer to achieve comparable execution for all participating clients, both on a trade-by-trade basis as well as on all trades over time; however, there is no guarantee that we will be successful in doing so.

13. Review of Accounts

- A. The portfolio manager for each client account reviews the relevant client accounts, together with the other members of the investment team for each client account, generally on a daily basis and at least on a weekly basis. The number of reviewers will vary, depending on which account is being reviewed, from two to four persons. Reviews are conducted in order to ensure the suitability of the investments

used to meet the policy and investment objectives of the particular client account. Alejandro Baez-Sacasa and Satyen Mehta, the portfolio managers, and Zev Shiffman, the chief compliance officer, review the clients' accounts regularly to ensure that we are observing each client's investment strategy and objective.

- B. Factors that may trigger a review include the receipt of periodic performance reports, changes in economic conditions, changes in general market conditions, changes in key personnel, specific world events that affect financial markets and ongoing qualitative and quantitative assessments made by us.
- C. We have engaged an outside administrator to prepare monthly unaudited financial statements for each client and to provide monthly unaudited performance estimates to each client's investors. Audited financial reports prepared by independent auditors are distributed to each client's investors on an annual basis. Additionally, we may provide written information that we determine appropriate concerning valuations, profits, gains and losses more frequently than monthly. At the request of certain investors due to legal/regulatory constraints that must be followed by some underlying investors and/or the specific needs and requests by certain investors, Neon Liberty may at its discretion, agree to provide certain investors more frequent reports and/or certain other reports than those described above.

14. Client Referrals and Other Compensation

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

15. Custody

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

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

16. Investment Discretion

Scope of Authority

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

Procedures for Assuming Authority

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

17. Voting Client Securities

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

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

- We normally vote to maintain or create a majority of independent directors on a board of directors as a whole as well as on its audit, compensation and nominating committees.
- We normally vote to limit an auditor's engagement solely to the provision of tax and audit work.
- We vote to limit the total compensation of management to a level that is appropriate with its performance.
- We normally vote against poison pills, different classes of stock and other methods designed to insulate management from the desires of their shareholders. (A poison pill is a strategy that corporations use to discourage hostile takeovers by making their stock appear less attractive to potential acquirers.)
- We normally vote in accordance with actions taken to maximize the company's long-term value without regard to "social responsibility" issues, except to the extent that those issues may affect the long-term value of the business.

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

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

- Copies of our proxy voting policies and procedures and any amendments.
 - Proxy statements received for client securities.
 - Records of proxy votes cast on behalf of our clients.
- B. We have the authority to vote all our clients' proxies and receive all of their proxies and similar solicitations.

18. Financial Information

- A. We do not require nor do we solicit prepayment of more than \$1,200 of fees per client, six months or more in advance.
- B. We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.