
ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

Cephei Capital Management (Hong Kong) Limited

A Hong Kong Limited Liability Company registered with the U.S. Securities and Exchange Commission as an Investment Adviser

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This brochure provides information about the qualifications and business practices of Cephei Capital Management (Hong Kong) Limited ("Cephei Capital"). If you have any questions about the contents of this brochure, please contact us at (852) 3518 8000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

ITEM 2
MATERIAL CHANGES

Cephei Capital last filed an updated Brochure with the SEC in March 2021. Since that filing the following material changes have taken place:

From 1 November 2020, the QFII and RQFII regimes have been merged into a combined scheme for QFIs (Qualified Foreign Investors) in China. In light of the recent reform of QFI regime, effective from 1 April 2021, Cephei HK replaced CDH SG as the Investment Manager of Cephei QFII China Total Return Fund Ltd. and its Offshore Feeder Fund and US Feeder Fund.

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ITEM 4

ADVISORY BUSINESS

Firm Overview

Cephei Capital was founded in 2006. Cephei Capital manages a concentrated portfolio of China-based companies that may be traded on any exchange in the world. Cephei Capital's principal owners are Cephei Capital Management Company Limited, Cephei Capital Investment Company Limited, CDH China Management Company Limited, New Diamond Assets Inc., and Mr. Li Gang, through his wholly owned company Clear Image Investments Limited. Cephei Capital has obtained the Renminbi Qualified Foreign Institutional Investor ("RQFII") license issued by the China Securities Regulatory Commission ("CSRC") and China's State Administration of Foreign Exchange ("SAFE") in 2014.

Cephei Capital's Advisory Services

Cephei Capital's primary business is providing investment advisory services to pooled investment vehicles (the "Private Funds") and single investor managed accounts (the "Managed Accounts," together with the Private Funds, the "Clients," and each a "Client") in their investments in the publicly-traded securities of issuers that have a substantial portion of their operating assets located in the People's Republic of China (the "PRC") or that derive a large portion of their revenues or earnings from activity connected to the PRC.

Customized Services for Institutional Clients

As described above, Cephei Capital provides investment advisory management services to Managed Accounts, which, unlike the Private Funds described above, are generally formed for the specific purpose of managing the assets of a single institutional investor. The investment strategies for the Managed Accounts may, and generally do, parallel all or a portion of the investment strategies of the Private funds, but there are, on occasion, differences between the investment strategies of a Managed Account and any other Cephei Capital Client. Cephei Capital enters into agreements to advise Managed Accounts only under limited circumstances and the advisory services provided to each such Client, and the related terms and fees, are negotiated on a case-by-case basis.

Assets Under Management

Cephei Capital manages Client's assets on a discretionary basis. As of December 31, 2021 Cephei Capital had more than \$8,694 million assets under management.

ITEM 5

FEES AND COMPENSATION

Cephei Capital's Clients are generally qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act. As such, a detailed Client fee schedule is not included in this brochure. However, most of Cephei Capital's Clients pay some or all of the following fees to Cephei Capital:

(i) Management fee

Management fees charged to Clients typically are calculated as a percentage of assets under management, and they are varied under two investment strategies adopted by Clients: for *China long only Total Return Strategy*, Cephei Capital charged up to 1.5% of the net asset value per annum; and for *China long only Index Enhanced Strategy*, Cephei Capital charged up to 0.8% of the net asset value per annum.

(ii) Performance fee

Performance fee is generally based on the net capital appreciation of such Client's account at the end of the relevant fiscal period. Performance fee for *China long only Total Return Strategy* are charged up to 20% of the net capital appreciation in excess of certain hurdle rate, and performance fee for *China long only Index Enhanced Strategy* are charged up to 20% of the net capital appreciation in excess of certain benchmark.

Cephei Capital has waived or reduced and may, in the future, waive or reduce management fees and performance fee for certain classes or investors, including employees and affiliates of Cephei Capital, in its discretion. None of Cephei Capital's supervised person receives any commissions for any sale of securities or other investment products.

Management fees generally are billed to Clients on a quarterly basis, and performance fee are calculated on an annual basis. Most of these fees are charged in arrears with limited exceptions. Clients have options on payment method. They may either pay the fees from their other assets, or choose to deduct from the accounts.

Clients may incur additional fees and expenses, including expenses associated with specific investment transactions, such as the following non-exhaustive list of items:

- (i) prime broker's fees;
- (ii) administrator fees;
- (iii) brokerage commissions;
- (iv) clearing and settlement charges;

-
- (v) taxes;
 - (vi) custodial fees;
 - (vii) Legal fees;
 - (viii) Audit fees;
 - (ix) bank service fees;
 - (x) administrative expenses;
 - (xi) valuation and appraisal expenses; and
 - (xii) organizational expenses.

To the extent that a third-party performs such services and Cephei Capital incurs all or a portion of the corresponding expenses listed above, the costs of such expenses will be reimbursed by the Client.

More detailed information about specific fees and expenses that Clients may pay is provided in the relevant agreement between Cephei Capital and the relevant Client as well as in formal offering materials (i.e., the Client's offering memorandum, memorandum and articles of association, as the case may be, and subscription document) provided to investors in the Private Funds, as applicable (collectively referred to herein as the "Offering Documents").

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

Cephei Capital charges performance fees (the “Performance Fee”) that is generally calculated on the net capital appreciation of such Client’s account at the end of the relevant fiscal period, or upon realization, and in certain cases subject to, or only in excess of, specified performance thresholds within Managed Accounts or high watermarks within the Private Funds, as applicable. Performance fees are outlined in more detail in the investment advisory agreements to which Clients are a party or the Offering Documents for the Private Funds in which Clients are invested. Clients should consult these documents for more information.

Cephei Capital will structure any performance or incentive fee arrangement subject to Section 205(a) (1) of the US Investment Advisers Act of 1940, as amended (the “Advisers Act”) and in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring Clients’ assets for the calculation of performance-based fees, Cephei Capital includes realized and unrealized capital gains and losses.

Performance based fee arrangements may create an incentive for Cephei Capital to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Cephei Capital has procedures designed and implemented to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Because Cephei Capital or its affiliates have input into the valuation of fund assets (at least when quoted values are not available or are deemed not to be representative of the market values), Cephei Capital has a conflict of interest between its responsibility to provide fair valuation advice to the respective Client, and its interest in maximizing the management fee and performance allocation payable from it. Cephei Capital believes, however, that on the whole, Cephei Capital’s performance allocation arrangements benefit Clients by providing Cephei Capital with a greater incentive to manage assets well.

ITEM 7
TYPES OF CLIENTS

As described in Item 4 above, Cephei Capital currently offers investment advisory services to Private Funds and Managed Accounts, the underlying investors of which are institutional investors. Cephei Capital requires that the underlying investors in the Private Funds and Managed Accounts be “qualified purchasers” as that term is defined in Section 2(a) (51) of the Investment Company Act. Each Private Fund requires minimum investment levels from its prospective investors as noted in the Private Fund’s respective Offering Documents (although these may be waived from time to time). For Managed Accounts, investment minimums can be negotiated between the Client and Cephei Capital, if appropriate.

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

Methods of Analysis and Investment Strategies

Cephei Capital takes a growth at reasonable valuation and contrarian oriented approach with a bias to medium and large cap stocks with a long-term investment horizon.

We invest in existing or emerging industry leaders with quality management who has vision, execution capability, a proven track record of consistently creating value for shareholders, and importantly, a proper alignment of interests with minority shareholders.

The portfolio takes a multi-sector focus with a bias toward medium to large cap companies and employs a disciplined, fundamentally driven, value investing focus. All investment decisions result from a rigorous bottom-up analysis of fundamentals coupled with a top-down analysis of sector trends.

As a result, we manage a concentrated portfolio with high conviction ideas. We aim to achieve strong, long term performance by compounding our client's capital skillfully through a full market cycle.

Cephei Capital has two investment strategies, a *China long only Total Return Strategy* and a *China long only Index Enhanced Strategy*. These two strategies share the same investment philosophy, research support, and stock pool, but differ in respect to investment process, portfolio construction, and investment objectives.

For the Total Return Strategy, we target double digit annualized returns on a three year rolling basis with lower volatility than the market. The strategy is benchmark agnostic, though the CSI300 Index normally serves as a reference.

The core of the Total Return Strategy portfolio is a concentrated stock portfolio resulting from careful bottom up stock picking. The strategy also has flexibility in allowing Cephei to express our market opinion by adjusting the equity exposure and cash level.

Other financial instruments are also used to enhance the portfolio's risk adjusted returns, such as convertible bonds, money market funds, IPOs, block trades and private placements.

Subject to investor's approval, index future hedging may be used in the Total Return Strategy. There are futures and other derivatives on the CSI300 index available in the domestic Chinese market. When systematic risk arises, these can be used as hedging tools.

For the Index Enhanced Strategy, the investment objective is to achieve 300-500bps annualized outperformance over the benchmark index on three year rolling basis.

While the core holdings of the Index Enhanced Strategy portfolio are a reflection of Cephei's best ideas, this strategy also considers sector deviation and tracking error from the benchmark, thus it is normally a more diversified portfolio than the Total Return Strategy.

An index enhanced portfolio is normally fully invested, or will have tighter constraints on our ability to adjust the cash level.

Investment Risks

Cephei Capital management emphasizes risk management firm wide in order to grow the business in a prudent, profitable and sustainable way. Cephei monitors investment risks such as market risk, regulatory risk, decision making risk and liquidity risk as well as other risks such as ethical risks, operational risk, technology risk, compliance risk and new business operating risk; specific measures are implemented to monitor these risks.

Being a long-term investor, we consider the changing macroeconomic environment and company fundamentals as the key risks in portfolio management.

To monitor fundamental changes, we closely track the performance of listed companies, sectors, competitors, as well as upstream and downstream sectors to identify and mitigate potential risks. To monitor macroeconomic changes, we communicate with government officials, and obtain and track macro and policy updates through regular meetings. These measures and techniques are not only for monitoring purposes, but also drive portfolio construction.

Risks Related to Investments in PRC and other Asian Emerging Economies

As previously described, Cephei Capital largely focuses on investing its assets in China-based companies. Therefore, its Clients may be subject to unusual risks associated with investments in China and the larger Asian market.

Development of the Asian Economies. The economies of the various nations in Asia differ from the economies of most developed countries in many aspects, including as to: (a) the political structure; (b) the degree of government involvement; (c) the degree of development; (d) the level and control of capital reinvestment; (e) the control of foreign exchange; and (f) the allocation of resources.

Certain economies in Asia have been transitioning from centrally planned economies to more market oriented economies. For example, for more than two decades, the government of the PRC has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy. Although Cephei Capital intends to monitor various systemic and systematic risks, Cephei Capital cannot ensure that changes in economic, political and social conditions, laws, regulations and policies in the Asia region will not have an adverse effect on the relevant Client, including its financial condition or results of operation, or that such changes will not have

an adverse “knock-on” effect on other jurisdictions in which the relevant Client will be investing.

Legal and Tax Systems. The legal and tax systems of certain countries in Asia are less predictable than most legal and tax systems in countries with fully developed capital markets. Currently, the tax rules and regulations prevailing in certain countries in Asia are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors’ rights. Moreover, companies often experience delays when obtaining governmental licenses and approvals. These factors contribute to the exogenous, systemic risks to which the relevant Client may be exposed. Exogenous risk is the risk created by an outside or external source. Systemic risk a risk of disruption to financial services that is caused by an impairment of all or parts of the financial system and has the potential to have serious negative consequences for the real economy. There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable by the portfolio companies or the relevant Client itself may reduce returns. In addition, changes to tax treaties (or their interpretation) between countries in which the relevant Client invests, and countries through which the relevant Client conducts its investment program, may have significant adverse effects on the relevant Client’s ability to efficiently realize income or capital gains. Consequently, it is possible that the relevant Client may face unfavorable tax treatment resulting in an increase in the taxes payable by the relevant Client on its Investments. Any such increase in taxes could reduce the investment returns that might otherwise be available to the underlying investors.

Less Company Information and Regulation. Generally, there is less publicly available information about Asian companies. This may make it more difficult for Cephei Capital to stay informed of corporate action that may affect the price of a particular security. Further, many countries lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and compare the performance of certain Asian companies.

Local Intermediary Risks. Certain of the relevant Client’s transactions may be undertaken through local brokers, banks or other organizations in Asia. The relevant Client will be subject to the endogenous risk of default, insolvency or fraud of such organizations. Endogenous risk is the risk from within the financial system created by participants interacting with each other. There can be no assurance that any money advanced to such organizations will be repaid or that the relevant Client would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the relevant Client to a variety of risks including theft, loss and destruction. The relevant Client will also be dependent upon the general soundness of the banking systems throughout Asia which, in some cases, remain relatively under-developed or unstable

compared to developed markets such as the United States and the United Kingdom.

Political and Economic Instability. The economies of the countries in which the relevant Client may invest are less stable than the more developed economies, due to, among other things, volatile internal political environments, less stable monetary systems and/or external political risks. The governments of such countries may participate in their economies through ownership or regulation in ways that can have a significant effect on securities prices. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation. Further, although the recent general trend in many of the less developed economies of the countries in Asia has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organized crime or other factors beyond Cephei Capital's control could have a material adverse effect on the performance.

As a result of these factors, certain economies within the Asia region are more susceptible to reacting violently to changing economic conditions than the more developed economies. In addition, certain economies in Asia have been affected by frequent and significant intervention by the relevant governments and/or central banks, which have often changed monetary, credit, tax and other policies which have involved wage and price controls as well as other measures, such as raising interest rates, imposing capital controls and inhibiting international trade. Changes in policy involving taxation, exchange controls and regulation could adversely affect the result of the relevant Client's Investments in these markets and/or in securities and instruments of issuers domiciled in these countries, as could inflation, currency devaluation, social instability and other political, economic or diplomatic developments, as well as governmental responses to such developments.

Although economic conditions are different in each country, investors' reactions to the developments in one country may have effects upon the securities of issuers in other countries. Developments or conditions in emerging market countries may from time to time significantly affect the availability of credit in other countries in Asia and result in considerable outflows of funds and declines in the amount of foreign currency invested in those markets.

Risks Relating to the QFI Arrangement. The QFII and RQFII regimes were first introduced in 2002 and 2011 respectively to allow certain qualified non-PRC institutional investors to directly invest in specific PRC domestic securities. From 1 November 2020, the QFII and RQFII regimes have been merged into a combined scheme for QFIs. Under the current QFI regime, QFIs are allowed to invest in an expanded scope of securities and

futures in the PRC market, which include the QFI Permitted Securities. Moreover, the previous quota restrictions on a QFII/RQFII's domestic investment have been repealed and a QFI, after obtaining the license from CSRC, only needs to complete the Foreign Exchange Registration with SAFE.

The primary PRC regulators of the QFI regime are CSRC, SAFE and PBOC. CSRC is responsible for approving license applications made by prospective international investors, and together with PBOC, responsible for supervising and regulating domestic securities and futures investment activities by QFIs, while SAFE and PBOC are responsible for monitoring and regulating QFI's bank accounts in China, cross-border transfer of funds and other relevant matters. Apart from obtaining the license from CSRC and completing the Foreign Exchange Registration with SAFE mentioned above, a QFI must also engage one or multiple qualified onshore commercial banks to act as its custodian(s) and engage one or multiple onshore securities companies to act as its broker(s) for securities trading.

The operation of the QFI regime is subject to complex and evolving policies, rules, regulations and market forces. As a result, the Investment Manager's ability to invest under or rely on the QFI regime could change suddenly and significantly. The Fund could be required to repatriate, unwind, terminate, reduce or replace securities or otherwise adjust portfolio exposure – all at a potential material loss to the Fund. The Investment Regulations apply to the Investment Manager (which is a QFI license holder) as a whole, and not simply to investments made by the Fund. Investors should be aware that violations of the Investment Regulations arising from activities related to the Investment Manager as a QFI (even where such activities are not for the Fund) could result in the revocation of, or other regulatory action in respect of, the appropriate QFI status as a whole.

Limits on investments in A Shares, and the regulations relating to the repatriation of capital and profits, may be applied on the basis of each QFI as a whole. The ability of the Fund to make investments and/or repatriate monies under the QFI regime may be affected adversely by the investments, performance and/or repatriation of monies invested by other investors utilizing the status of the same QFI license holder.

There can be no assurance that the Investment Manager will be able to meet all applications for subscription to the Fund, nor that redemption requests will be processed in a timely manner due to adverse changes in relevant laws or regulations, including changes in QFI repatriation procedures. Such changes may result in suspension of dealings of the Fund and could adversely affect a shareholder's ability to redeem its investment in the Fund.

Use of Stock Connect. Cephei Capital may also invest in Chinese listed companies through the Stock Connect. The selected securities listed on The Shenzhen Stock Exchange ("SSE") and the Shanghai Stock Exchange ("SZSE"), and selected securities

listed on The Stock Exchange of Hong Kong Limited ("SEHK") available for trading under the Stock Connect.

The Stock Connect is a mutual market access program through which Hong Kong and overseas investors ("Stock Connect Investors") can deal in Stock Connect Securities through a connect arrangement put in place between SSE / SZSE and SEHK. The Stock Connect program has been developed between Hong Kong and mainland China by, among others, SSE / SZSE, SEHK, the Hong Kong Securities Clearing Company Limited ("HKSCC") and the China Securities Depository and Clearing Corporation Limited ("CSDCC"). Under the Stock Connect, the Shanghai Connect and the Shenzhen Connect operate independently from each other with substantially similar regulatory framework and operating mechanism.

Investors should note that the Stock Connect is a relatively new trading program. The relevant regulations are untested and subject to change and there is no assurance that the Stock Connect will be permitted to continue in existence. The trading link of Stock Connect through which Hong Kong and overseas investors may purchase and indirectly hold Stock Connect Securities ("Northbound Trading"), under the Stock Connect is subject to daily quota limitations which may restrict the Fund's or Managed Account's ability to deal via the Stock Connect on a timely basis. This may impact the Fund's or Managed Account's ability to implement its investment strategy effectively. The scope of securities in Stock Connect is subject to adjustment by relevant Stock Connect Authorities from time to time. This may adversely affect the Fund's or Managed Account's ability to achieve its investment objective. In addition, the Stock Connect and its technology and risk management capability has only a short operating history. There is no assurance that the systems and controls of the Stock Connect program will function as intended or whether they will be adequate. In addition, the Stock Connect may be subject to further regulatory or other changes and developments in both the Hong Kong and China markets that could adversely affect the Fund's or Managed Account's ability to invest via the Stock Connect or its investment strategy.

Restrictions on Investment and Repatriation. Some countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require prior governmental approvals, impose limits on the amount or types of securities that may be held by foreigners or impose limits on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the relevant Client's investment in certain countries and may increase the relevant Client's costs and expenses. Indirect foreign investment may, in some cases, be permitted through investment funds that have been specifically authorized for that purpose. Because of the limited number of authorizations granted in such countries, however, units or shares in most of the investment funds authorized in those countries may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained, and if the restrictions on direct foreign investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether, or turned into a discount. In addition, certain countries impose restrictions and

controls on repatriation of investment income and capital. In this regard, there can be no assurance that the relevant Client will be permitted to repatriate capital or profits, if any, over the life of its activities. In addition, the relevant Client faces the systemic risk that a country's balance of payments may result in the imposition of temporary restrictions on foreign capital remittances. The relevant Client could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the relevant Client of any restrictions on investments. Investing in entities either in, or which have a substantial portion of their operations in, Asia may require the relevant Client to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the relevant Client.

Risks Related to System Malfunction and Cybersecurity

Cephei Capital relies to a significant extent on the computer systems and software used by Cephei Capital and its affiliates and other service providers to develop and execute investment strategies, analyze investment opportunities, price assets, execute and settle trades, and conducting risk and operational controls. Such systems and software may be subject to errors, defects, interruptions or failure. In the event of such malfunction, Cephei Capital may incur significant losses to the extent its or its service providers' ability to evaluate, make, hold, monitor, or dispose of investments, or to monitor risks and operations is affected. Cephei Capital may not be in a position to verify the accuracy of the operation or results of the systems used by it or other service providers and may rely on erroneous computations or data.

Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Cephei Capital increasingly relies on information and technology systems to conduct its business. Such systems might, in some circumstances, be subject to cybersecurity incidents or similar events that could potentially result in damage or interruption to these systems, unauthorized access to sensitive transactional and personal information, intentional misappropriation, corruption or destruction of data, or operational disruption. Cybersecurity incidents could potentially occur, and might in some circumstances result in the failure to maintain the security, confidentiality or privacy of sensitive data. Cybersecurity incidents experienced by third party vendors or service providers may indirectly affect Clients. Cybersecurity risks can disrupt the ability to engage in transactional business, cause direct financial loss and affect the value of assets in which Clients invest, harm Cephei Capital's reputation, lead to violations of applicable laws, result in ongoing prevention, risk management and compliance costs, and otherwise affect business and financial performance.

A more detailed description of the risks associated with Clients may be included in the

Offering Documents of the respective Private Funds, a copy of which is provided to prospective investors and should be carefully reviewed prior to investing.

Risks Related to Reliance on Service Providers

Cephei Capital has retained service providers and may retain additional service providers at any time and from time to time. Cephei Capital is reliant on the performance of third-party service providers including, the Administrator, the Overseas Custodian, the PRC Custodian, the legal counsel, the Auditor and any other service provider to Cephei Capital as described herein (the "Service Providers").

Accordingly, absent a direct contractual relationship between Clients and the relevant Service Provider, no Client will have any contractual claim against any Service Provider for any reason related to its services to Cephei Capital. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against Cephei Capital, as the case may be, by the relevant Service Provider is, prima facie, Cephei Capital, as the case may be.

Misconduct of the Service Providers could cause significant losses to Cephei Capital and its Clients. Such misconduct may include binding Cephei Capital and its Clients to transactions that exceed authorised limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from failing to recognize trades and misappropriating assets. In addition, the Service Providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting Cephei Capital's business prospects or future marketing activities. Although Cephei Capital has been adopting measures to prevent and detect employee misconduct and to select reliable third-party providers, such measures may not be effective in all cases.

Investment Instruments Utilized

Cephei Capital does not recommend a particular type of investment instrument (e.g., equity securities) to its Clients, but rather, recommends and invests in multiple investment instruments to correspond with the particular investment strategy.

ITEM 9
DISCIPLINARY INFORMATION

Cephei Capital does not believe that there are any legal or disciplinary events that are material to a Cephei Capital Client (or prospective Client's) evaluation of Cephei Capital's advisory business.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Cephei Capital nor its management persons are registered as, and do not have any application to register as, broker-dealers, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

Cephei Capital has other investment advisory affiliates, including CDH Investment Advisory Private Limited (“CDH”), which is a registered investment adviser as private fund advisers and other entities exempt from SEC registration (i.e., so-called “exempt reporting advisers”) all of which either control, are controlled by, or are under common control with Cephei Capital.

Except as disclosed under Item 11, Cephei Capital does not believe that such relationships create a material conflict of interest for its Clients.

Cephei Capital does not recommend or select other investment advisers (other than the Manager) for its Clients, nor does it receive any compensation, directly or indirectly, from other investment advisers that creates a material conflict of interest. Cephei Capital does not have other business relationships with other investment advisers that create a material conflict of interest.

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

Code of Ethics

In compliance with Rule 204A-1 of the Advisers Act, Cephei Capital has adopted a Code of Ethics in order to establish the standard of conduct expected of its supervised persons in light of Cephei Capital's duties to its Clients. This Code of Ethics requires Cephei Capital supervised persons to place Clients' interests above their own, to report personal securities transactions to Cephei Capital, and to avoid taking action that benefits Cephei Capital or its supervised persons at the expense of its Clients. Cephei Capital supervised persons must acknowledge receipt of its Code of Ethics and they must report violations of the Code of Ethics to Cephei Capital's Chief Compliance Officer.

A copy of Cephei Capital's Code of Ethics is available to Clients and prospective Clients upon request.

Personal Trading

Under the Code of Ethics, Cephei Capital employees are generally not permitted to purchase or sell, directly or indirectly, any security that is currently held by a Client or that is, to his or her knowledge, being considered for purchase or sale by a Client. Other restrictions applicable to the personal trading of Cephei Capital employees include, for example, a 30-day holding period, a prohibition against trading securities listed on Cephei Capital's Restricted Trading List.

In addition, Cephei Capital has implemented policies and guidelines relating to personal account trading by its employees that requires, with limited exceptions, that all reportable personal securities transactions by an employee be pre-approved by an authorized member of the Compliance Department.

Recommendations of Securities in which Cephei Capital or a Related Person has some Financial Interest

Cephei Capital engages in a broad spectrum of activities that, with respect to any particular Client, are independent from, but may from time to time conflict with, overlap with or compete with, the investment activities of its other Clients. As a result, Cephei Capital is subject to various potential conflicts of interest.

Cephei Capital invests in initial public offerings ("IPOs") or other new issues, including those sold or issued by companies that are owned, in whole or in part, by Cephei Capital Clients (such as portfolio companies). While it currently does not do so, Cephei Capital may cause Clients to invest in securities or other interests sold or issued by entities in which Cephei Capital or a related party, including a principal, has an interest. Such interest may result from, among other things, a direct or indirect investment in the

applicable entity, or a Cephei Capital supervised person serving as an officer or director of the entity.

In addition, Cephei Capital supervised persons may have a direct or indirect ownership interest in a Private Fund as a result of (1) direct investments in such Clients; and (2) ownership interests in Cephei Capital affiliates that are entitled to receive management fees and/or Performance Fees from each such Client.

Potential Conflicts Due to Overlapping Client Investments

While it currently does not do so, Cephei Capital may encounter conflicts due to overlapping investments by its Clients, clients of its Participating Affiliate, Cephei Capital itself, or its supervised persons. Where such conflict exists, the differing investment objectives of clients, as well as other factors applicable to the specific situation may result in a determination to dispose of, or retain, all or a portion of an investment on behalf of a Client (or on behalf of clients of its Participating Affiliate, Cephei Capital itself, or its supervised persons) at different times as such investment or portion thereof is being disposed of, or retained, by other Clients. In addition, particularly with respect to illiquid or private investments, conflicts of interest can arise when disposing of a particular investment would be beneficial for one Client while retaining such investment would be beneficial for another Client. Cephei Capital may also recommend investments to or purchase securities for the account of one Client (or on behalf of clients of its Participating Affiliate, Cephei Capital itself, or its supervised persons) that may differ from investments recommended or bought for other Clients, even though the investment objectives of other Clients may be similar. Moreover, Cephei Capital's Clients (or on behalf of clients of its Participating Affiliate, Cephei Capital itself, or its supervised persons) may make investments or engage in other activities that express inconsistent views with respect to an entity in which they have invested, a particular security or relevant market conditions.

In addition, while it currently does not do so, Cephei Capital expects to make other business decisions on behalf of certain Clients relating to investments independently of the manner in which it approaches a similar or even the same investment by other Cephei Capital Clients. Consequently, Cephei Capital, on behalf of certain Clients, may choose not to hedge certain risks that other Cephei Capital Clients hedge, or certain Clients may be exposed to risks of financing on an investment when other Cephei Capital Clients are not.

Should a particular Client invest in entities or assets in which other Cephei Capital Clients hold an investment, the investment by such Client could be viewed, especially in hindsight, to have been made on a non-arm's length basis. Similarly, other Cephei Capital Clients may later invest in entities such Client has invested in, which may have an effect (either positive or negative) on the market price of this Client's investments.

Mitigating Policies

Cephei Capital has adopted, and continues to adopt, policies and procedures to address such potential conflicts of interest. Cephei supervised persons are subject to the clearance procedures by the chief compliance officer for their trading practice and potential conflict of interest, such as directorships and fiduciary appointments. Cephei Capital has also adopted policies and procedures to establish and maintain an information barrier between Cephei Capital and its affiliates that are designed: (1) to establish a wall for the purpose of shielding Cephei Capital and its affiliates and their respective personnel from material non-public information that may exist from time-to-time on the opposite side of the information barrier, and (2) to prevent coordinated investment activities among the Cephei Capital and its affiliates' investment professionals. Consequently, Cephei Capital and its affiliates will generally manage investment portfolios on a separate basis and will not exchange information concerning actual or potential investments or portfolios thereof.

Under circumstances that are appropriate, Cephei will bring issues that raise conflicts of interest before the investment committee and chief compliance officer to determine how it will proceed.

ITEM 12 BROKERAGE PRACTICES

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Cephei Capital generally has discretion in deciding which brokers and dealers a Client will use and in negotiating the rates of commissions a Client will pay. In selecting brokers and dealers to effect portfolio transactions for its Clients, Cephei Capital seeks to obtain best execution, taking into consideration the price of a security offered by a broker-dealer, as well as the full range and quality of such broker-dealer's services, including, among other things and to the extent applicable, (i) the overall direct net economic result to the investments, (ii) the financial strength, stability and reliability of the broker-dealer, (iii) order size, (iv) timing considerations, (v) the efficiency with which the transaction may be effected, (vi) the ability of the particular broker-dealer to effect the transaction where a large block or other complicating factors are involved, (vii) the availability of the broker-dealer to execute potentially difficult transactions in the future and (viii) other matters involved in the receipt of brokerage and research services as contemplated by Section 28(e) of the Exchange Act, and the regulations and interpretations of the Securities and Exchange Commission promulgated thereunder.

Research and Other Soft Dollar Benefits

The term "soft dollars" refers to a means of paying brokerage firms for products and services through commission revenue, based on the volume of brokerage commission revenues generated from securities transactions executed through brokers by an investment manager on behalf of advisory clients. Section 28(e) of the Securities Exchange Act of 1934, as amended allows Cephei Capital to pay broker-dealers more than the lowest commission available in order to obtain research and brokerage services without breaching its fiduciary duties to clients or imposing a duty upon Cephei Capital to obtain the lowest commission if certain conditions are met and Cephei Capital makes a good faith determination that the commissions paid are reasonable in relation to the value of the brokerage or research services on behalf of its advisory clients. The determination may be viewed in terms of either the particular transaction involved or the overall responsibilities of Cephei Capital with respect to the accounts over which it exercises investment discretion. In determining if something is research, thus falling within the safe harbor provisions, the controlling principle is whether it provides lawful and appropriate assistance to the Manager in the performance of its investment decision-making responsibilities.

Research services received from broker-dealers are supplemental to Cephei Capital's own research effort and, when utilized, are subject to internal analysis before being incorporated by Cephei Capital into its investment process. As a practical matter, it would

not be possible for Cephei Capital to generate all of the information presently provided by broker-dealers. Cephei Capital pays cash for certain research services received from external sources. Cephei Capital also allocates brokerage for research services, which are available for cash. While the receipt of research services from brokerage firms has not reduced Cephei Capital's normal research activities, the expenses of Cephei Capital could be materially increased if it attempted to generate such additional information through its own staff. To the extent that broker-dealers provide research services of value, Cephei Capital is relieved of expenses, which it may otherwise bear. In addition, Cephei Capital has an incentive to select a broker-dealer based on its interest in receiving research or other products or services, rather than client's interests in receiving lower transaction costs.

Certain broker-dealers who provide quality brokerage and execution services also furnish research services to Cephei Capital. In selecting a broker-dealer, Cephei Capital may consider, among other things, the broker-dealer's best execution capabilities, reputation, and access to the markets for the securities being traded. Cephei Capital will generally seek competitive commissions for transactions for advisory client's accounts. Consistent with obtaining best execution, transactions for advisory clients may be directed to brokers in return for research services furnished by them to Cephei Capital. Such research generally will be used to service all of Cephei Capital's clients, but brokerage commissions paid may be used to pay for research that is not used in managing a specific account. Therefore, research may not necessarily benefit all accounts paying commissions to such brokers. Accordingly, Cephei Capital cannot readily determine the extent to which commission rates charged by broker-dealers reflect the value of their research services. Cephei Capital generally assesses the reasonableness of commissions in light of the total brokerage and research services provided by each particular broker-dealer. Cephei Capital receives a wide range of services from broker-dealers. These services include: information on the economy, industries, groups of securities, individual companies, statistical analysis, performance analysis, and analysis of corporate responsibility issues. These services provide both domestic and international perspective. Research services are received primarily in the form of written reports, computer generated services, telephone contacts, and personal meetings with security analysts. In addition, such services may be provided in the form of meetings arranged with corporate and industry spokespersons, economists, academics and government representatives. In some cases, research services are generated by third parties but are provided to Cephei Capital by or through broker-dealers.

Brokerage and research products and services obtained with "soft dollars" may be of value to the Company in advising various clients, although not all of these services are necessarily useful or of value to the Company in advising all of its clients. Because some of the Company's clients specifically instruct the Company to use designated brokers, those clients will benefit from the research products and services provided by

other brokers selected by the Company, but may not bear any of the soft dollar costs associated therewith. As a result, those clients who provide the Company with complete discretion in the selection of brokers may effectively subsidize those clients who retain discretion with respect to the purchase of research with soft dollars.

The Company currently does not require soft dollar benefits to be allocated proportionately to the amount of soft dollar benefits generated by each of the Clients' 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. Fees paid to the Company are not reduced because it receives such services.

Brokerage for Client Referrals

Cephei Capital does not consider, in selecting or recommending broker-dealers, whether a related person or itself receives client referrals from a broker-dealer or third party.

Directed Brokerage

Cephei Capital has discretion in deciding which broker-dealer its Clients will use and in negotiating the rates of commissions that Clients will pay. Cephei Capital does not generally permit Clients to direct brokerage. In the event a Client directs Cephei Capital to cause brokerage transactions to be executed by a particular member of a national securities exchange or particular broker/dealer, Cephei Capital is under the obligation to, using its best efforts, seek to achieve the most favorable price and best execution with the broker/dealer, in light of such direction. However, Clients which, in whole or in part, direct the Cephei Capital to use a particular broker to execute transactions for their accounts should be aware that, in so doing, they may adversely affect the Cephei Capital's ability to, among other things, obtain best price and execution, and the cost of the transaction may be greater.

Order Aggregation

As a general rule, allocations among accounts with the same or a similar investment objective should be pro rata based on the market values of the portfolios, and to the extent it is possible to aggregate orders, Cephei Capital will do so (e.g., offshore IPOs). However, technically it is not possible to aggregate and allocate orders in certain markets (e.g. the PRC or Taiwan) or difficult in others (e.g. Korea) on a pro rata basis because of the need to enter ID codes pre-trade in the stock exchange order matching systems. Therefore, orders are executed following a "first come, first serve" principle. Accordingly, when Cephei Capital makes separate orders for the purchase or sale of securities for its Clients, such Clients may incur a higher brokerage fee than would be the case if such orders were made on an aggregated basis.

Trade Allocations

When determining whether or not a Client should participate in any particular investment opportunity, the portfolio managers will consider, with respect to each Client, the amount of cash available for investment, such Client's current portfolio composition, Client-specific investment restrictions, the current portfolio of the Client (e.g., percentage holding in an issuer or industry type, etc.), the liquidity currently available in the marketplace, and the anticipated liquidity when unwinding the investment.

The portfolio managers will submit orders by email to the trading desk. Each order must specify the quantity to be transacted (or in the alternative the basis point weighting). Upon receipt of an order, the trader(s) shall effect the trade to secure best execution. For each investment opportunity that has multiple Clients participating and to the extent Cephei Capital is able to do so, a trader will typically place one aggregate order on behalf of all participating Clients (see potential exceptions in *Order Aggregation* above), unless, under a particular circumstance, we believe that doing so would not be in the best interest of our Clients and consistent with best execution. Transaction costs related to trading will be borne pro rata by Clients participating in the transaction on a per share basis or based on the dollar value of the trade.

Generally, Cephei Capital allocates aggregated orders among our participating Clients' accounts based on order indications if all demands can be fulfilled, otherwise, the allocation will be pro rata based on (i) a participating Client's desired participation(ii) in those instances where a Client (while having a general investment mandate that is the same as other Clients') has a longer-term strategy based upon a longer drawdown period for committed capital if there is lock-up period for the limited investment opportunities.

Cephei Capital can, however, determine that a pro rata allocation is not appropriate due to certain circumstances, such as:

- a. Clients who are restricted under the regulatory rules from participating in certain initial public offerings will not receive shares in such offerings;
- b. Specific Client cash limitations and such Client's current portfolio holdings (e.g., existing percentage holdings in an issuer or specific industry type, etc.)
- c. Certain Clients are restricted or may face adverse consequences from participating in an investment due to tax, legal or regulatory considerations;
- d. A partial fill in which so few shares have been transacted that pro rata allocation among Clients would be impracticable or result in a nonconforming allocation for one or more particular Client (e.g., less than 100 shares or 1,000 bonds etc.,

depending upon the strategy). In such cases, portfolio managers will use their best efforts to allocate amounts obtained from partial fills, and future trades in the same security may also be allocated on a basis other than pro rata in order to rebalance any anomaly;

- e. The need to level positions across Clients (due to, for example, new capital commitments, capital infusions or withdrawals);
- f. The Company is “ramping up” a newly launched Client vehicle;
- g. When single-investor Client mandate requires that we allocate an order otherwise.

Allocations to a Client are subject to the terms and limitations set forth in the offering and governing documents of each Client. Although Cephei Capital generally effects sales of investments that multiple Clients hold on a pari passu basis, at times the Firm sells investments from various Clients on a non-pro rata basis based on a wide variety of factors, including those described above relating to the non-pro rata allocation of investment opportunities.

Once orders have been allocated among accounts based upon the foregoing, there may be a need for further allocation, because sufficient securities to fill the order may not be available. In that event, the investments acquired will be divided among the accounts based upon the ratio that their original allocated order bore to the original order in total.

All transactions must be allocated among applicable accounts on the trade date. In no case will allocations be based upon account performance, the amount of fees (including management fees, performance fees or any other fees) or commissions charged, or the investors of the account.

Cross Trades

Cephei Capital prohibits cross trading of any kind between Clients’ accounts or between a Client account and Cephei Capital accounts.

Trade Errors

A trade error is generally considered to include an error that (i) prevents portfolio trading instructions given by a portfolio manager on behalf of a Client from being effectuated in

substantially the manner intended by the portfolio manager; (ii) results in the execution of a trade on behalf of a Client that was not intended for that Client; or (iii) causes a violation of any applicable investment policies or restrictions mandated by the Client or by law. Depending on the relevant facts and circumstances, other events might also be considered trade errors.

Cephei Capital attempts to minimize trade errors by promptly reconciling confirmations with order tickets and intended orders, and by reviewing past trade errors to understand the internal control breakdown that caused the errors. However, errors may occur in either the investment decision-making process or trading process. Because Cephei Capital manages accounts on a primarily discretionary basis, most trade errors will be caused by Cephei Capital or an executing broker-dealer.

For separately managed accounts, if Cephei Capital makes an error while placing a trade for a Client, Cephei Capital will seek to correct the error promptly in a way that mitigates any losses. Cephei Capital will bear any costs associated with correcting any error while the affected Client will generally retain gains associated with any trade error unless the Investment Management Agreement/Investment Advisory Agreement provides differently (i.e. specific handling procedure for trade errors or under specific limitation of liability and indemnity clauses). Cephei Capital will generally not net gains and losses associated with multiple errors related to separate investment decisions, but gains and losses stemming from an interrelated set of errors may generally be netted.

For Private Funds, if Cephei Capital makes an error while placing a trade for a Private Fund, Cephei Capital will seek to correct the error promptly in a way that mitigates any losses. As disclosed in the Private Funds' PPMs, the cost of errors in the Private Funds' accounts will be borne by the Private Funds unless an error is the result of bad faith, gross negligence, or willful misconduct by Cephei Capital. Nonetheless, errors in the Private Fund's accounts must be reported to the Chief Compliance Officer and reviewed to identify whether the error was caused as a result of bad faith, gross negligence, or willful misconduct.

ITEM 13

REVIEW OF ACCOUNTS

Designated personnel of Cephei Capital review investment positions on a periodic basis, and in many cases as frequently as daily. The individuals primarily responsible for account reviews are investment professionals at the managing director level, including those individuals acting as portfolio managers of a given Cephei Capital Client, although other persons who are not investment professionals at the managing director level may be substantially involved and/or responsible for carrying out such reviews. In addition, members of the Legal and Compliance Department and, in certain instances, dedicated risk management personnel, review investment reports on a periodic basis, and in some cases as frequently as daily.

Content and Frequency of Account Reports to Clients

Cephei Capital prepares written periodic reports to provide to its Clients and/or the Client's underlying investors, detailing the valuation, performance and composition of such Client's investments. As a general matter, such reports/letters are prepared and issued monthly or quarterly. The Private Funds are also subject to review by independent public accountants, which results in annual audited financial statements being produced for each such Client. Managed Accounts will generally receive reports with the same frequency and may also be reviewed by an independent public accountant at the Client's discretion.

For additional information related to the types and frequency of reports provided to Clients, please see the relevant Offering Documents, to the extent applicable.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

Cephei Capital does not make referral or other cash solicitation payments to third parties in return for Client solicitations or referrals. To the extent it does so in the future, the Company will adopt procedures to ensure compliance with SEC Rule 206(4)-3.

ITEM 15
CUSTODY

Cephei Capital currently does not have custody of client funds or securities under SEC Rule 206(4)-2, because it has no ability to deduct advisory fees from the accounts of its Managed Account Clients, and because its Private Funds are organized, advised, and managed outside the United States by non-US persons. In the event that Cephei Capital obtains custody of client funds or securities, it will comply with the custody requirements applicable to registered investment advisers.

ITEM 16
INVESTMENT DISCRETION

Subject to limitations in the various agreements Cephei Capital has with particular Clients, Cephei Capital has full discretion and authority to make all investment decisions with respect to the types or amounts of securities to be bought or sold for its Clients, broker-dealers to be used and the commission rates paid.

The specific contours of Cephei Capital's discretionary authority are generally set forth in the particular agreement between Cephei Capital and the particular Client.

ITEM 17
VOTING CLIENT SECURITIES

Except for the Private Fund or specifically agreed upon in Investment Management Agreement/Investment Advisory Agreement, Cephei Capital generally does not exercise or plan to procure the authority to exercise any voting rights with respect to client securities. Clients who are registered holders of such securities will receive their proxies or other solicitations directly from their custodian or transfer agent. If desired, a Client can contact Cephei Capital with questions about any particular solicitation. However, the final decision of how to vote the proxy rests with the Client.

For the Private Fund, Cephei Capital recognizes its fiduciary duty to vote proxies solely in the best interests of the Private Fund and has adopted policies and procedures related to voting proxies on behalf of the Private Fund. The general policy of Cephei Capital is to vote proxy proposals, as well as amendments, consents or resolutions relating to the Private Fund securities in a manner that serves the best interests of the Private Fund. Cephei Capital determines, in its sole discretion, how to vote the proxies and processes and votes the securities itself. In determining how to vote such proxies, Cephei Capital may take into account factors such as: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; (iv) industry and business practices; and (v) the degree to which the Private Fund interests are aligned with those of an issuer's management.

Though generally deemed unlikely, it is possible for conflicts of interest to arise in the context of Cephei Capital's proxy voting. However, if an actual conflict of interest with respect to proxy voting arose, Cephei Capital's compliance officer would be involved in the process for the particular proxy vote to help manage and mitigate any such conflicts of interest.

A copy of Cephei Capital's proxy voting policies and procedures can be obtained upon request.

Although Cephei Capital is authorized to provide investment supervisory services and vote some Client proxies, Cephei Capital will not file proof of claims in class action settlements. Clients assume the sole responsibility of evaluating the merits and risks associated with any class action settlement, therefore clients are responsible for filing proofs of claims. Cephei Capital cannot provide legal advice and Clients are encouraged to consult with their legal advisor when filing claims in securities class actions suits. The Client's response to a settlement notice will impact the Client's legal rights. In no way shall the Client be precluded from contacting Cephei Capital for information about a particular class action settlement. Should Cephei Capital inadvertently receive proof of claims for securities class action settlements on behalf of clients, Cephei Capital will immediately forward such information on to clients, and will not take any further action with respect to the claim.

ITEM 18
FINANCIAL INFORMATION

Cephei Capital is not aware of financial conditions reasonably likely to impair its ability to meet contractual commitments to Clients, and it has not been the subject of a bankruptcy petition at any time since its inception.