

Sengu Capital Limited

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November 2024

CRD: 333451

This Brochure provides information about the qualifications and business practices of Sengu Capital Limited (“**Sengu**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact us at +852 3428 2949 or email at “Xavier.FANJAUD@sengu-capital.com”.

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.

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

Item 2: Material Changes

This is Sengu's initial brochure filing. Therefore, there are no material changes applicable at this time. Material changes relating to the information contained in this Brochure will be included in subsequent filings.

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Item 4: Advisory Business

Our Firm

Sengu Capital Limited (“Sengu”, “we” or the “Firm”) is a company limited by shares incorporated in Hong Kong on April 15, 2024. Sengu is licensed by the Securities and Futures Commission in Hong Kong to conduct Type 9 (Asset Management) activities.

As of October 31, 2024, Sengu has provided discretionary investment advisory services to Sengu Japan Long Short Master Fund and Sengu Japan Long Short Fund (Collectively, the “Funds”). The funds are primarily focused on management change with a holistic portfolio construction approach and active risk management. Each a privately pooled investment vehicle incorporated in the Cayman Islands as exempted companies with limited liability. The Funds are exempted from registration under the Investment Company Act of 1940. Sengu also manages separately managed account (“SMA”).

Sengu is an investment management firm that provides advisory services on a discretionary basis to privately offered pooled investment vehicles, which are intended for investment by certain investors that are accredited investors under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and qualified purchasers under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Company Act”) so as to comply with the exemption under Section 3(c)(1) of the Company Act.

Principal Owners

Sengu is 100% owned and controlled by Yoshihiko Ohira.

Types of Services Offered

Sengu provides discretionary investment advisory services to the Funds, and SMA (“**Investors**”) in accordance with the investment objectives described in the Funds’ offering documents or investment mandates as amended and supplemented from time to time (“**Offering Materials**”). Investors may impose restrictions on investing in certain securities or types of securities by virtue of letter agreements.

Ability to Tailor Services and Impose Restrictions

The investment objective and strategy for the Funds are described in the relevant offering documents. Sengu provides investment management services based on the specific investment objectives and strategies and not individually to investors (the “**Investors**”). Since the Firm does not provide tailored advice to the Investors, such investors should consider whether the investment strategies are in line with their risk tolerance. The Funds may from time to time enter into side letter agreements or other similar agreements (“**Side Letters**”) providing investors with additional and/or different rights and benefits.

Wrap Fee Programs

Sengu does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

Client Assets

As of October 31st, 2024, Sengu has 135M USD as of 1st of October of regulatory assets under management on a discretionary basis.

The performance of the Funds will be reported, fees will be calculated, and all subscriptions and redemptions will be transacted, in United States Dollars (USD\$).

Item 5: Fees and Compensation

Management Fees

The fees applicable to the Funds are set forth in detail in the Funds' Offering Materials; with respect to all share classes, the Firm receives a management fee ranging from 1.25% - 1.50% of the net asset value ("**NAV**") of the Funds ("**Management Fee**") monthly in arrears.

The Firm may, in their sole discretion, waive, rebate or decrease the Management Fee that is payable in whole or in part, at any time.

The Funds may from time to time enter into Side Letters providing for changes in management fees and performance allocation.

The Fund's administrator (the "Administrator") will deduct the fees discussed in Item 5.A.

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

Performance-Based Fees

Certain share classes of the Funds are charged a fee based on the performance of the Funds ("Performance Fee"). Performance Fee is subject to a high-water mark, and may range up to 17.5-20% of the increase in NAV attributable to investment performance during a performance period. Performance Fee is calculated and payable on an annual basis.

Sales Compensation

Neither Sengu, nor its Supervised Persons, are compensated for the sale of securities or other investment products or mutual funds.

Item 7: Types of Clients

Sengu provides investment advisory services to privately offered pooled investment vehicles, which are intended for investment by certain investors that are qualified purchasers as defined by the Company Act. The minimum initial investment amount for the Fund is generally US\$1,000,000 for series A and F US\$100,000 for Series E, and the minimum subsequent investment amount is US\$100,000.

In certain circumstances, the Board of Directors of the Funds may, in their sole discretion, determine the minimum subscription per investor in a case or generally subject to all applicable legal requirements.

In most circumstances, investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. Generally, investors must be (i) “accredited investors,” as defined under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), and (ii) either “qualified purchasers” or “knowledgeable employees,” as defined under the Company Act. Sengu may waive such qualification requirements in certain circumstances.

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

Investment Objective

The investment objective of the Funds is to generate alpha from both long and short positions and achieve absolute return and long-term capital appreciation by investing primarily in listed equity securities of companies which are incorporated in, or have material exposure to, Japan and which are active in the consumers, Technology, Media and Telecommunications ("TMT"), industrials and financial services sectors.

Investment Strategies

The Investment Manager will use a "bottom-up" fundamental research approach, with a focus on the quality of the management and corporate governance of portfolio companies. The Investment Manager will seek to generate returns by monitoring management changes, assessing their potential effect on prospective portfolio companies and investing in liquid, mid- to large-cap companies which have undergone or will undergo management changes.

The Master Fund will primarily invest in equities and equity linked securities including shares, futures and swaps.

The Master Fund may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or in response to adverse market, economic, political or other conditions. While the Investment Objective of the Master Fund is focused primarily on listed equity securities of companies which are incorporated in, or have material exposure to, Japan, there are no limitations on the markets or instruments that the Master Fund may invest in.

Investment Methodology

The Fund may employ certain strategies that depend upon the reliability and accuracy of the Investment Manager's analytical investment processes. To the extent such investment processes (or the assumptions underlying them) do not prove to be correct, the Fund may not perform as anticipated, which could result in substantial losses.

All investments involve some degree of investment risk. Investment risk can be defined as the probability of losing capital or not receiving income over a given timeframe. As a general rule, the higher the potential return on an investment, the higher the potential investment risk.

It is not possible to identify every risk factor relevant to investing in the Funds. However, some of the risks that can potentially affect the value of Fund investments and the distributions paid by a Fund are liquidity risk, construction and operation risks, risks resulting from market conditions, gearing and interest rate risk, inflation risk, regulatory risk, taxation risk, currency risk, valuation risk, price and volume risk, technology and disruption risk, counterparty risk and others. A further description of each of these risks is set out in the Information Memorandum in relation to the respective Fund.

General Risks

The Firm has a risk policy that outlines all of the possible risks connected to the investment, which the Firm is aware of. A copy of the Risk Policy will be provided to any clients or prospects upon request.

Risks associated with investments associated with Japan

The Firm is aware of the potential risks associated with investment with Japan, the details of risk factors are stated in the Private Placement Memorandum. The main risk Investing in securities involves risk of loss that investors should be prepared to bear. An investment in the Funds is speculative and involves substantial risks. There can be no assurance that the investment objective of the Funds will be achieved. Because of the risks involved, investment in the Funds is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Funds. The following risks are non-exhaustive and should be carefully evaluated before making an investment in the Funds.

- **Unpredictable Policy and Regulatory Climate in Japan**

There can be no assurances that the policy and regulatory environment in Japan will necessarily always be favourable to the Funds and investors. Adverse changes in policies, law, or regulations, including new interpretations of existing laws or regulations, yield curve, or interest rate policy changes may arise. In particular, such adverse changes may include changes to tax laws or regulations, including administrative and judicial interpretations or existing laws or regulations, which may have an adverse effect on the tax treatment of an investment of the Master Fund or investment in the Fund, in each case, possibly with retroactive effect.

- **Legal and regulatory environment**

There can be no assurance, however, that this trend in economic legislation will not be slowed, curtailed or reversed, particularly in the event of a change in leadership, social disruption, or other circumstances affecting the social, political or economic status of Japan. Such a shift could have a material adverse effect on the value of the Fund's investments. The ability of the Master Fund to bring suit against any third party, including an entity in which the Master Fund invests or such entity's directors, officers, or bankruptcy trustee may be limited. Such entities will likely be organized under the laws of Japan; and substantially all of their assets may be located there. As a result, it may not be possible for the Master Fund to effect service of process upon such entities or their directors, officers, or trustees. Even where an entity is successfully sued outside of Japan, enforcement of the judgment in Japan will be subject to Japanese applicable laws and applicable court procedures and may be difficult.

Item 9: Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

None of Sengu or any of its management persons are registered as broker-dealers or registered representatives of broker-dealers, and no applications are pending to register Sengu or any of its management persons with the SEC as a broker-dealer or registered representative of a broker-dealer.

Sengu nor any of its management persons is not registered as, and currently does not have a pending application to register as, a futures commission merchant, commodity pool operator or a commodity trading adviser.

Other Material Relationships

Sengu does not have other relationships or arrangements that are material to the Firm's advisory business or to its clients that the Firm or any of its management persons have with any of the following related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle; (iii) a futures commission merchant, commodity pool operator, or commodity trading advisor; (iv) a banking or thrift institution; (v) an accountant or accounting firm; (vi) a lawyer or law firm; (vii) an insurance company or agency; (viii) a pension consultant; and (ix) a real estate broker or dealer sponsor or syndicator of limited partnerships.

Sengu does not recommend or select other investment advisers for the Funds.

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

Pursuant to Rule 204A-1 of the Advisers Act, Sengu has adopted a Compliance Manual and a Personal Account Dealing Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Sengu or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The Compliance Manual was adopted to avoid actual and possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees' and partners' (or similar) trading activities.

The foundation of the Compliance Manual is based on the underlying principles that:

- Employees of Sengu must at all times place the interests of clients first;
- Employees of Sengu must make sure that all personal securities transactions are conducted consistent with this Compliance Manual and the Personal Account Dealing Policy contained in this Compliance Manual. All transactions should avoid any actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility; and
- Employees of Sengu should not take unfair advantage of their positions. The receipt of investment opportunities, perquisites, or gifts from persons seeking business with Sengu could call into question the exercise of an employee's independent judgment.

Generally, all employees are required to disclose to the Firm existing investment holdings upon joining and at least semi-annually thereafter.

All relevant Employees are required to hold all personal investments for at least 30 days, unless prior written approval of the Compliance Officer or other persons designated by senior management is given for an earlier disposal.

The relevant Employees are required to, within 10 days of commencing employment at Sengu, disclose details of their outside broking accounts to the Compliance Officer, and ensure that copies of records and statements of personal transactions entered into by them are submitted to the Compliance Officer.

Employees are required to obtain pre-clearance from the Compliance Officer or Chief Executive Officer prior to any personal share dealing transaction.

The Firm will provide a copy of the Firm's Code of Ethics to any clients or prospects upon request.

Sengu, as a fiduciary to its Funds and endeavoring to be honest and truthful to the Funds at all times, prohibits investments in the personal account of any Firm personnel or related person in a security that is currently held or intended to be held by the applicable Fund. In order to prevent any conflict of interest, Sengu employees are restricted from investing in client account investments and, therefore, are not able to recommend investments to Funds in which any Sengu employees are invested.

Item 12: Brokerage Practices

In effecting securities transactions, the Firm will seek to obtain the best execution of orders. Commission rates are a component of price and are considered along with other relevant factors. In determining the broker or dealer to be used and the commission rates to be paid, the Firm will consider the utility and reliability of brokerage services, including execution capability and performance, access to markets and offerings, financial responsibility, investment information, market insights, other research provided by such brokers, and access to analysts, management and idea generation. Accordingly, the commissions charged by any such broker may be greater than the amount another firm might charge if the Firm determines in good faith that the amount of such commissions is reasonable in relation to the value of the brokerage services and research information provided by such brokers. Consistent with the requirements of best execution, brokerage commissions on accounts may be directed to brokers in recognition of investment research and information furnished as well as for services rendered in execution of orders by such brokers.

The Firm may obtain products or services other than the execution of securities transactions from brokers in exchange for the direction of brokerage transactions of the Fund to the broker ("soft dollars": provided that (a) the soft dollars are of demonstrable benefit to the Fund, and (b) the transaction execution is consistent with best execution and is not in excess of customary full service brokerage rates. The soft dollars may include products or services from brokers or other third parties (for example through commission sharing agreements) such as (without limitation) research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above soft dollars, and investment related publications.

It is the general policy of the Firm that any "soft dollars" obtained in connection with portfolio transactions for the Fund are intended to comply with the relevant code or guideline issued by the SFC, and to the extent relevant under the U.S. Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), the "safe harbour" of Section 28(e) of the Securities Exchange Act. The Firm will endeavour to comply with this policy at all times. Under Section 28(e) of the Securities Exchange Act, and to the extent possible and appropriate, research obtained with "soft dollars" generated by the Fund may be used by the Investment Manager to service other investment funds, client accounts and proprietary accounts it may manage in the future.

The Firm intends generally to consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied on, and attempt to allocate a portion of its brokerage credits on the basis of that consideration. The investment information received from brokers, however, may be used by the Firm and its affiliates in servicing other accounts and not all such information may be used by the Firm in connection with the Fund. The Firm believes that such an allocation of brokerage business may help the Fund to obtain research and execution capabilities and provides other benefits to the Fund.

Where a product or service obtained with "soft dollars" provides both research and non-research assistance to the Fund, the Fund will make a reasonable allocation of the cost which may be paid for with "soft dollars".

"Soft dollars" may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments.

At least annually the Firm will provide the Fund with a statement describing its "soft dollar" practices in relation to the Fund, including a description of the goods and services received by the Firm.

Broker Selection

Sengu does not participate in selecting or recommending broker-dealers in exchange for client referrals. In addition, Sengu does not engage in directed brokerage by its client.

Trade Execution – practice / fair allocation

The Investment Adviser will instruct the Funds' administrator and custodian to execute the approved trades for the Funds. Trade logs are maintained and reconciled with the administrator records on an on-going basis to ensure the trades are being executed timely and accurately.

Trade Allocation

Our policy prohibits any allocation of trades in a manner that would allow a client to be favored over any other clients.

Principal Transactions / Cross Trades

In a "principal transaction", an investment adviser, acting for its own account, buys a security from, or sells a security to, a client's account. The Firm does not maintain "own accounts" / proprietary accounts and hence no principal transaction. The Firm does not engage brokers and does not involve in any agency cross trades.

Item 13: Review of Accounts**Review of Accounts**

The Funds are reviewed and reconciled on a monthly basis with monthly valuation and cash reports prepared by the Fund's independent administrator. In addition, the Firm also monitors the Funds' performances to help ensure conformity with investment objectives and guidelines.

The Funds' administrator will prepare monthly unaudited Funds' valuation packs stating the Funds' share price for each share class.

Reporting

The Funds will be audited on an annual basis by an independent auditor. The Fund's administrator will prepare its annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). Copies of the audited financial statements will be issued to all investors within 6 months after the Funds' fiscal year-end, ending on 31 December.

The Funds' administrator will issue unaudited monthly account statement to investors within the period of 7 days following the confirmation of the monthly valuation of the Funds.

[The Firm will provide monthly performance update report to SMA clients.]

Item 14: Client Referrals and Other Compensation

Currently, Sengu does not receive any economic benefit from anyone for providing investment advice and other advisory services to the Funds.

Sengu may engage placement agents for placement of shares of the Funds. Any fees in relation to such placement shall be borne by the Firm.

Item 15: Custody

While it is Sengu's practice not to accept or maintain physical possession of any client assets, the Firm may be deemed to have custody of certain Fund assets under current applicable regulatory interpretations for purposes of Rule 206(4)-2 of the Advisers Act.

In order to comply with Rule 206(4)-2, Sengu utilizes the services of a bank and other qualified custodians (as defined under Rule 206(4)-2) to hold all cash and securities of the Fund (except with respect to privately offered securities). In accordance with Rule 206(4)-2, Sengu also: (1) has engaged an independent public auditor to conduct annual audits of the Fund; and (2) distributes audited financial statements of the Fund that are prepared in accordance with United States generally accepted accounting principles to all investors within at least 120 days after the end of the fiscal year.

Additionally, each Fund investor receives written monthly statements from the Administrator with respect to the activities of the Fund(s).

Item 16: Investment Discretion

Sengu possesses discretionary portfolio management authority over the Funds with respect to asset allocations and hedge fund investments as per the investment management agreement and offering document in place.

Sengu has the authority to determine (i) the securities to be purchased and sold for the Funds and (ii) the amount of securities to be purchased or sold for the Funds.

Item 17: Voting Client Securities

Where the Firm has responsibility for voting proxies, the Firm will take measures reasonably designed to ensure that they are voted in the best interest of its clients, which generally means voting with a view to enhancing the value of client securities. Financial interest of clients is the primary consideration in determining how their proxies should be voted. The Firm may refrain from voting in certain circumstances.

Below are some voting principles that the Firm may take into account in voting proxies whilst each situation must be judged on its own merits:

- In the absence of evidence to the contrary, the Firm will give considerable weight to management recommendations, except in the case of issues directly affecting the interests of management itself, such as management compensation;
- The Firm will in general support management recommendations about the internal operations of the company. Whilst proposal which is likely to have significant economic effect on the relevant company and its security-holders will be subject to greater scrutiny on a case-by-case basis;
- The Firm favors having strong independent directors and supports the delegation of key functions (such as compensation, audit and nominating committees) to independent directors.

Item 18: Financial Information

Sengu does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and Sengu is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

In addition, Sengu has not been the subject of a bankruptcy petition at any time during the past ten years.