



Brimstone Asset Management Company Limited

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This brochure provides information about the qualifications and business practices of Brimstone Asset Management Company Limited ("**BAMCL**") and funds under management by the Company, including private funds. Throughout this brochure and related materials, BAMCL may refer to itself as a "registered investment adviser" or "being registered." These statements do not in any way imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact BAMCL at (852) 2158-9275. 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.

Any reference to private funds within this brochure is for informational purposes only, and is intended to address legally required disclosures about BAMCL's business practices and conflicts associated with managing private funds. Only qualified investors are able to invest in these funds, and they should read the fund's prospectus or other offering material prior to doing so. No reference within this brochure should be viewed as an offer to sell or an offer to buy an interest in private funds.

This brochure provides information for BAMCL's U.S. clients. Most provisions of the U.S. Investment Advisers Act of 1940 and of this brochure do not apply to the Company's non-U.S. clients.

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



Item 2: Material Changes

This Item is not applicable



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Item 4: Advisory Business

Brimstone Asset Management Company Limited ("BAMCL") is a limited liability company incorporated in Hong Kong on 21 August 2018. BAMCL is licensed by the Hong Kong Securities and Futures Commission (the "SFC") to conduct "Type 4 - Advising on Securities" and "Type 9 - Asset Management" regulated activities.

BAMCL is directly and wholly-owned by Mr. FENG Legeng. Director of BAMCL is Mr. FENG Legeng.

BAMCL provides investment advisory services on a discretionary basis to clients that are pooled investment vehicles (each a "Fund" and, collectively, the "Funds") intended for institutional investors and other sophisticated investors. It provides advice to client accounts based on specific investment objectives and strategies as set forth in the applicable Fund's offering documents. BAMCL will tailor advisory services to the individual needs of clients.

BAMCL will not conduct proprietary trading.

BAMCL does not participate in wrap fee programs.

As of December 31, 2022, BAMCL managed approximately USD 28 Million, all of which is on a discretionary basis.

Pooled Investment Vehicles

We currently have full discretionary investment authority and power to manage assets for private funds with a total Asset Under Management of USD 28 Million.

Item 5: Fees and Compensation

Funds

The fees paid to BAMCL are detailed in Fund's IMA and/or in Fund's offering materials. The fees generally include:

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- an annual or annualized management fee expressed as a percentage of the Fund's assets under management with BAMCL;
- an annual or annualized management fee expressed as a percentage of the subscription amount subscribed into the Funds managed by BAMCL; and
- incentive or performance-based fees or compensation calculated based on performance.

See the fee schedule below and Item 6 for more information on the range of these fees and information regarding fees. Investors bear additional fees and expenses as detailed in the offering materials. Fund may maintain multiple class structures with differing fees paid by each class, which structures are described in that Fund's offering materials.

High Yield, Multisector Opportunistic and Multi-asset Strategies:

Management Fee: 0-3% of subscription amount / Net Asset Value

Hurdle Amount: 110%

Performance Fee: 30% of the return above Hurdle

Redemption Fee: 1% during Lock Up Period, Nil after Lock Up Period

Credit Long Only Strategies:

Management Fee: Nil

Performance Fee: 50% per annum of any Net Gain

Fee rate will be determined at the time of the initial deposit on a case-by-case basis depending on the strategies and investment objectives.

Item 6. Performance-Based Fees and Side-by-Side Management

1) Performance-Based Compensation

BAMCL charges performance fees at the fund level as described in Item 5.

The performance-based fee for separately managed account client is negotiated on a client-by-client basis.

2) Conflicts of Interest

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Performance-based compensation may create an incentive for BAMCL to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement.

The potential conflicts of interest arising from these fee arrangements are addressed by BAMCL's internal procedures, see Item 11 "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading". BAMCL has adopted policies and procedures and maintains a compliance program designed to help manage such potential conflicts, including trade allocation policies. These trade allocation policies and procedures seek to ensure that the Company does not favour one client over another and that trading for all client accounts is conducted in a fair and equitable manner.

3) Side-by-Side Management

Conflicts of interests exist when a portfolio management firm manages multiple client portfolios and, in particular, when a traditional long-only fund is managed by the same portfolio management firm as a hedge fund. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. BAMCL has undertaken a full review of the potential conflicts associated with side-by-side management and implemented procedures to ensure that all Funds and segregated accounts are treated fairly on an ongoing basis. These include trade allocation policies and procedures, seeking to ensure that it does not favour one fund or account over another and that trading for all funds and accounts is conducted in a fair and equitable manner. For more information regarding conflicts of interest relating to the management of multiple funds and accounts, see Item 11 "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading".

Item 7: Types of Clients

1) Description

BAMCL provides investment advisory services to the Funds. BAMCL may also provide advisory services to family offices and other financial institutions. BAMCL does not intend to

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serve any U.S. individual clients including high-net-worth individuals but it may serve non-U.S. high-net-worth individuals in other jurisdictions.

2) Requirements for opening or maintaining the accounts

For segregated managed accounts, an initial amount of USD 10,000,000 will generally be required. BAMCL may accept a lower minimum in its exclusive discretion.

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

1) Methods of Analysis

BAMCL's investment is based on bottom-up fundamental analysis, focusing on credit risk, cash flow and solvency; we pay close attention to debt structure, asset quality, financing channels of the issuers.

2) Investment Strategies

For the master Fund and non-feeder Funds, BAMCL adopts a long-only credit strategy, at least 80% of the portfolio will be publicly issued USD-denominated bonds whose prices can be found on Bloomberg. The rest of the portfolio consists of listed stocks. Leverage may be exploited to enhance return and to meet liquidity needs.

3) Material Risks

- a) Risk of Loss
- b) Borrowing & Use of Leverage
- c) Counterparty risk
- d) Derivatives
- e) Emerging markets
- f) Liquidity and market characteristics
- g) Risks associated with investing in Mainland China
- h) Transaction costs



Item 9: Disciplinary Information

There are no legal or disciplinary events that would be material to a client's or prospective client's evaluation of the Adviser's business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

This Item is not applicable.

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

1) Code of Ethics

BAMCL has a Compliance Manual in place which applies to all employees of BAMCL (the "Compliance Manual"). The Compliance Manual contains provisions reasonably designed to deter misconduct and conflict of interests and to detect violations of the Compliance Manual and applicable law. The Compliance Manual includes the following material provisions:

a) Compliance and Regulatory Requirements

The Compliance Manual sets out compliance and regulatory requirements for BAMCL and all employees of BAMCL with respect to: record keeping; transactions with connected Persons; soft dollars and rebates; personal trading accounts; portfolio valuation; confidentiality; conflicts of interests; know-your-client procedures; corporate governance; proxy voting; and best execution and broker reviews.

b) Prohibited Conduct; Insider Trading

The Compliance Manual contains provisions designed to prevent any trading or tipping based on material, non-public information and other types of market misconduct, including: false trading; price rigging; disclosure of information about prohibited transactions; disclosure of false or misleading information inducing transactions and

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stock market manipulation; and engaging in or assisting, counselling or procuring another person to engage in any of the above market misconduct.

c) Personal Trading

The Compliance Manual sets out procedures to be followed for BAMCL personnel with respect to trading in their own accounts or the accounts of their spouses or immediate families. The procedures include, but are not limited to: initial and annual disclosure of the employee's holdings in their own accounts and those of their spouse or their immediate families; seeking prior approval from the investment management team and compliance team for securities transactions or opening of broker accounts; submission of trade confirmation and account statements from the employees or their brokers; and a minimum holding period of 30 days for securities.

d) Receipt or Provision of Benefits

The Compliance Manual sets out the procedures to be followed for receiving or offering gifts and benefits in connection with the affairs or business of a client to make sure that any such gifts and/or entertainment must be reasonable in terms of frequency and value. At no time are employees allowed to accept any gifts, rebates or other benefits from BAMCL's clients or business contacts if it is likely to lead to a conflict of interest with duties owed to BAMCL or BAMCL's clients. All relevant gifts, inducements and entertainment given and received by the staff of BAMCL must be reported to and approved by the Compliance Officer and recorded in the Gifts Register maintained by the Compliance Officer.

e) Protection of Trading and Client Information

The Compliance Manual sets out the procedures to be followed for handling BAMCL's trading and client information to ensure confidentiality.

f) Books and Records

The Compliance Manual sets out the types of books and records that are required to be kept and the related timing as required under the relevant regulatory requirements applicable to BAMCL.

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g) Non-compliance

Any person not in compliance with the Compliance Manual may be subject to disciplinary action, including summary dismissal. BAMCL will provide a copy of its Compliance Manual to any client or prospective client upon request.

2) Participation or Interest in Client Transactions

a) Side-by-Side Management

As stated above in Item 6 on potential conflict of interest issues arising from performance-based incentive fees and side-by-side management, BAMCL has adopted the measures to address such potential conflict of interest issues and the following discussion highlights such potential conflict of interest issues and procedures to counteract such issues.

BAMCL manages different investment products for a wide variety of their clients including high-net-worth individuals (excluding U.S. individuals), institutional clients, family offices and private funds through a fund structure or a segregated accounts structure. BAMCL or its employees may give advice and take action with respect to the fund or managed accounts under their management. BAMCL is not obligated to recommend, buy or sell or to refrain from recommending, buying or selling any security that BAMCL or its employees may buy or sell for its or their own accounts or for a fund or segregated account under BAMCL management. BAMCL's employees may have interests in securities owned or sold by or recommended to a fund and/or segregated accounts that BAMCL manages.

b) Performance-based Incentive Fees

Some of the accounts managed by BAMCL are subject to performance-based incentive fees. BAMCL may manage long-only funds alongside long-short funds, which use leverage, derivatives and short positions in an attempt to maximize total returns, regardless of market conditions. BAMCL or its employees or related Persons may provide initial capital or invest in the funds which BAMCL manages or advises. Such

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funds/investments will be treated as clients and will be managed in such a way that such accounts do not receive favourable treatment over other client accounts or funds.

BAMCL has adopted policies and procedures and maintains a compliance program designed to help manage potential conflicts, which include trade allocation policies, investment procedures and monitoring and regular risk management committee meetings aimed at treating all clients fairly and equally and preventing conflicts in the allocation of investment opportunities. In particular, BAMCL, in managing a fund or managing a segregated account, will consider the following:

- i. Investment objectives of each fund and segregated account;
- ii. Size of each fund and segregated account;
- iii. Sector weighting;
- iv. Specific investment limitations as stated in the relevant fund documentation and client mandate;
- v. Portfolio manager's view; and
- vi. Cash level of each fund and segregated account.

Executed trades will be promptly allocated between the relevant fund and segregated account in accordance with the intended allocation basis to ensure that BAMCL is not favouring one fund or account over another, and that trading for all funds and accounts is conducted in a fair and equitable manner.

Conflicts of interest exist when a portfolio management firm manages multiple client portfolios and in particular when a traditional long-only fund, is managed by the same portfolio management firm as a hedge fund. Such fee arrangements also create an incentive to favour higher fee-paying accounts over other accounts in the allocation of investment opportunities. As stated above, BAMCL has undertaken a full review of the potential conflicts associated with side-by-side management and has implemented procedures to ensure that all clients are treated fairly on an ongoing basis.

3) Other Potential Conflicts of Interest

The following is a list of some other potential conflicts of interests that can arise in the course of the normal investment management business activities of BAMCL:

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a) Related Party Transactions

BAMCL's employees or directors and service providers may contract or enter into financial, banking or other transactions with one another or with any investor of a Fund or segregated account client that BAMCL manages. There is a risk that such transactions may not be at arm's length, causing conflicts of interest to arise.

The Compliance Manual prohibits BAMCL's connected or interested persons from transacting with the Fund and segregated accounts unless such transaction is carried out on arm's-length terms.

b) Gifts and Entertainment

BAMCL's employees may receive gifts and benefits from brokers, other services providers and clients. To avoid any potential conflicts of interest, the gifts and entertainment that its employees can receive must be reasonable in terms of frequency and value. At all times, employees are not allowed to accept any gifts, rebates or other benefits from BAMCL's clients or business contacts, regardless of value, if such acceptance is likely to lead to conflict of interest with duties owed to BAMCL or BAMCL's clients. All relevant gifts, inducements and entertainment given and received by the staff of BAMCL must be reported to and approved by the Compliance Officer and recorded in the Gifts Register maintained by the Compliance Officer.

c) Directorships and External Arrangements

Certain BAMCL staff may hold positions in external organizations. There is a potential risk that its personnel may place their own interests (resulting from outside employment/directorships) ahead of the interests of BAMCL clients. Before accepting an executive or non-executive directorship or any other appointment in another company, employees, including executive directors, must obtain the prior approval of BAMCL's compliance department. The Chief Compliance Officer will only permit appointments that would not present a conflict of interest with the BAMCL employee's responsibilities to BAMCL and its clients.

4) Personal Trading

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All employees of BAMCL have to follow BAMCL's personal trading policy, which requires its employees to obtain pre-clearance from the compliance department on personal trades and regularly declare their personal investments details to the compliance department. Employees must comply with the following procedures with respect to personal trading:

- A. At the time of hiring, execute the Securities Disclosure Form included herein to properly identify the securities and assets owned by the Employee and his/her immediate family members.
- B. No later than 3 business days prior to executing any trades in securities or assets, provide a written notification of such proposed trade to the Compliance Officer for approval by the Compliance Officer in its sole and absolute discretion. Duplicate confirmation of all trades by an Employee must be immediately forwarded to the Compliance Officer.
- C. Within 10 business days following the end of each fiscal quarter, update and execute the Securities Disclosure Form included herein.
- D. All employees are required to hold all personal investments for at least 30 days, unless prior written approval of the compliance officer is given for an earlier disposal.

The employee must present the trading records of investment accounts as requested by the Compliance Officer. Apart from initial disclosures, employees are required to disclose any material change in their security holdings to the Compliance Officer.

All of the above is in line with the requirements of Securities & Futures Commission (SFC), which is the regulator of the securities and futures markets in Hong Kong, where BAMCL is licensed to conduct business.

Item 12: Brokerage Practices

1) Selecting Brokerage Firms

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BAMCL is under a duty to obtain “best execution” of client transactions, which is generally described as a duty to execute securities transactions with reasonable endeavours to pursue the objective that a client’s total costs or proceeds in each transaction are the most favourable under the circumstances, including but not limited to the best price available. However, BAMCL may not always pay the lowest price for commission, but may, in addition to lowest price, take into account a number of factors, including a broker’s trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement, access to particular trading market, availability of securities to borrow or short sales and the value of research it provides. BAMCL may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than solely relying on receiving the most favourable execution. BAMCL has formal procedures in selecting brokers. Before a broker account opening decision is made, a new broker is evaluated based on factors which may include its execution ability, administration and settlement ability, quality of research produced, specialists’ research skills, quality of information services, quality and frequency of client contact, ability to deal in specific markets and financial strength.

Any new brokers must be recommended by one of BAMCL’s portfolio managers and approved by the Chief Investment Officer (“CIO”).

2) Best Execution

BAMCL defines “best execution” as whether the price is the best available price for the client in the relevant market at the time of the transaction of the kind and size concerned. Daily reviews will be conducted to review if the executed price is the best available price by comparing it to the volume weighted average price (VWAP) from Bloomberg to ensure it is reasonable.

Periodic review on the best execution as well as correctness and fairness of trade allocations will be performed by the compliance department on a random basis.

3) Soft Dollars

Soft dollar arrangements generally arise when BAMCL obtains products and services, other than securities execution, from a broker-dealer in return for directing client securities transactions to the broker-dealer. Because soft dollar products and services are purchased with brokerage commissions (or mark-ups or mark-downs in the case of permitted riskless

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principal transactions by dealers), BAMCL has a fiduciary obligation to ensure that the commissions (or mark-ups and mark-downs) are used for the benefit of its clients and that its clients are fully informed of the adviser's use of brokerage commissions (or mark-ups or mark-downs) to purchase soft dollar products. The receipt of soft dollar products from broker-dealers generally must be limited to research and brokerage services, absent specific disclosures to clients. This practice must be fully disclosed to the Client and investors in the Fund and generally involves only the receipt of acceptable products or services.

Under the Hong Kong SFC Code of Conduct, goods or services as soft commission may be received from a broker in consideration of directing transaction business on behalf of such client to the broker only if:

- a) the goods or services are of demonstrable benefit to BAMCL's clients;
- b) transaction execution is consistent with the best execution standards and brokerage rates are not in excess of customary full-service brokerage rates;
- c) the Client has consented in writing to the receipt of such goods and services; and
- d) disclosure is made of BAMCL's practices for receiving such goods and services, including a description of the goods and services received.

Goods and services may include: 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 goods and services; clearing and custodian services and investment-related publications. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments. This list is not exhaustive and may be amended from time to time.

Disclosure and consent may be made or given in an investment advisory agreement or other investment management agreement. It must include a specific statement describing BAMCL's soft commission practices. In addition, at least annually the clients must be given a statement describing BAMCL's soft commission practices, including a description of the goods and services received.

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BAMCL only will enter into soft dollar arrangements with broker-dealers that are consistent with our Soft Dollar Procedures. All soft dollar arrangements, formal or informal, must be approved by the Compliance Officer.

4) Trade Aggregation & Allocation

BAMCL may aggregate orders for accounts under management. Portfolios for which BAMCL acts as an advisor are governed by the principle of fair allocation of investment opportunities, the substance of which is documented herein ("Allocation Policy"). The Allocation Policy is reviewed and updated on a periodic basis. Capitalized terms not otherwise defined in this appendix shall have the meaning set forth in BAMCL's Compliance Manual.

The Allocation Policy applies to all portfolios advised and/or sub-advised by BAMCL. Trades will be allocated on a basis believed to be fair and equitable and no participating fund will receive preferential treatment over any other based on any of the following, or similar, reasons:

- To favor one client at the expense of another;
- To generate higher fees paid by one client over another or to produce greater performance compensation to the Firm;
- To develop a relationship with a client or prospective client;
- To compensate a client for past services or benefits rendered to BAMCL or to induce future services or benefits to be rendered to BAMCL; or
- To equalize performance among different clients.

Any allocation should be made in a manner consistent with the client's investment objectives and limitations. The portfolio management team will take steps to ensure that no participating fund will be systematically disadvantaged by the aggregation, placement, or allocation of trades.

Transactions are allocated promptly, usually on the trade date, and no reallocations are permitted from one account to another except where the original allocation was done in error.



No allocations will be made to a personal account of an Employee of BAMCL.

Item 13: Review of Accounts

1) Periodic Reviews

All client accounts managed by BAMCL are reviewed on a regular basis by the investment management team, which is comprised of the CIO and the portfolio managers. Each portfolio manager is responsible for reviewing the portfolio holdings and monitoring the performance and risk exposures. BAMCL maintains a clear segregation of duties between the investment, operations and risk management functions. BAMCL has established a Risk Management Committee that meets regularly and on an ad hoc basis to review the portfolios' holdings, exposure and concentration levels and liquidity situation.

2) Regular Reports

Clients and Fund investors receive periodic communications, including but not limited to account statements, monthly factsheets, quarterly commentaries and annual audited financial statements (if applicable), subject to a particular client's IMA or pursuant to the offering materials of a Fund.

Item 14: Client Referrals and Other Compensation

BAMCL currently does not receive client referrals from broker-dealers, although it may do so in the future.

Item 15: Custody

BAMCL does not maintain custody of client funds or securities. All assets are held at qualified custodians, which may include prime brokers. Investors of the Funds will receive monthly statements from the administrator directly reflecting the current value of the account and any

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transactions that have occurred during the period. Investors of the funds will also receive a copy of the audited financial statements on an annual basis.

Item 16: Investment Discretion

BAMCL obtains discretionary authority to manage the portfolios of its clients pursuant to investment management agreements with such clients. BAMCL's discretionary authority is generally subject to such restrictions as set forth in each client's IMA and/or the rules and regulations of any exchange or market on which BAMCL trades securities on behalf of clients. Within these restrictions, BAMCL may purchase or sell assets for client accounts without further consultation with the client.

Item 17: Voting Client Securities

BAMCL generally obtains, via the IMA, the authority to vote client securities for discretionary accounts. Proxy voting procedures are designed to ensure that proxies are voted in the best interest of clients, which generally means voting with a view to enhancing the value of client securities. The financial interest of clients is the primary consideration in determining how their proxies should be voted. BAMCL may also make reference to third party research materials and reports on specific voting issues in order to vote in the best interests of clients. Where BAMCL becomes aware that a conflict of interest exists between BAMCL and its clients in the voting of a proxy, it will attempt to resolve such conflicts to the advantage of clients.

Item 18: Financial Information

BAMCL does not require prepayment of any fees. BAMCL is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time.



Item 19. Requirements for State-Registered Advisers

This Item is not applicable.