

Item 1 – Cover Page

SPARX Asia Investment Advisors Limited

Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of SPARX Asia Investment Advisors Limited (“SAIA”). If you have any questions about the contents of this brochure, please contact us at LC.SPARXAsia@sparxgroup.com.hk. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training. Additional information about SAIA is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2 – Material Changes

SAIA’s most recent update to Part 2A of Form ADV was made in December 2023. During last year, SAIA was engaged to manage new private funds and no longer advises one of the existing funds, due to fund termination after investors’ full redemption. As a result, there was a net increase in the assets under management (“AUM”). We have added additional risk disclosure to Item 8.

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Item 4 – Advisory Business

SPARX Asia Investment Advisors Limited (“SAIA” or the “Company”) was founded in 2002 and is a wholly owned subsidiary of SPARX Asia Capital Management Limited (“SACM”), which in turn is wholly owned by SPARX Group Co., Ltd. (“SPARX Group”), a listed company traded on Tokyo Stock Exchange (Code: 8739). Mr. Shuhei Abe owns approximately 37% of SPARX Group.

SACM serves as the managing member for several pooled investment vehicles for which SAIA serves as the investment adviser. This brochure reflects the activities of the investment adviser.

SAIA provides investment advisory services to various pooled investment vehicles (each a “Fund” and, collectively, the “Funds”) based on the investment objectives, policies, strategies, and guidelines of each Fund. The Funds are designed to provide exposure to particular alternative investment strategies or blends of strategies, including long/short equity. Each Fund invests in a portfolio of alternative investments consistent with the guidelines set forth in the Fund’s offering documents. SAIA does not tailor its advisory services to the individual needs of Fund investors.

As of December 31, 2023, SAIA managed approximately US\$144 million in assets on a discretionary basis.

Item 5 – Fees and Compensation

Fees paid by the Funds generally consists of two components: (1) a management fee based on a percentage of assets under management, which ranges between 0% to 1% per annum (“Management Fees”); and (2) with respect to certain Funds, a performance fee based on a percentage of the total investment return over a fixed period of time (“Performance Fees”). Management and Performance Fees are either paid to SAIA directly or through SACM, which reimburses SAIA at cost. Management Fees are generally payable monthly or semi-annually in arrears. Performance Fees are 20% with and without hurdle rate for different accounts, which are payable quarterly or annually in arrears, as of the date of any withdrawal or redemption of an investment from a Fund and after the expiry of the Investment Management Agreement.

In addition to Management Fees and Performance Fees, expenses such as custody, administration, legal, accounting, professional, and other incidental fees and expenses are payable by the Funds. The fees and expenses payable by each Fund are described in Fund’s offering documents. Employees of the Company and its affiliates who invest in the Funds may be entitled to rebates on Management and/or Performance Fees.

For a complete description of fees and expenses, please refer to each Fund’s prospectus or private placement memorandum or Investment Management Agreement which can be provided upon request.

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

As stated in the **Fees and Compensation** section above, certain Funds charge Performance Fees, which is based on a share of capital gains on or capital appreciation of Fund assets. The fact that the Company is compensated based on trading profits may create an incentive for SAIA to make investments on behalf of Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance on which performance-based fees are calculated includes unrealized appreciation and depreciation of investments that may not ultimately be realized.

Certain Funds do not pay Performance Fees. These Funds are generally exposed to long-only equity strategies, whereas the Funds that pay Performance Fees generally follow a long-short equity or some other strategy. Accordingly, the incentive to favor Funds that pay Performance Fees over Funds that do not pay Performance Fees is limited due to the different strategies. To the extent that Funds are of similar strategy, SAIA has in place policies requiring that allocation of trades be effected across applicable Funds in a fair and equitable manner.

Item 7 – Types of Clients

SAIA provides investment management services to U.S. and non-U.S. domiciled pooled investment vehicles. The Funds are not required to register under the Investment Company Act of 1940, as amended, or register their securities under the Securities Act of 1933, as amended, pursuant to various exceptions and exemptions thereunder.

Please refer to each Fund's prospectus or private placement memorandum or investment management agreement for the minimum investment amount. Minimum investment amount may be waived at the sole discretion of the Company.

Details concerning applicable investor suitability criteria are set forth in each Fund's private placement memorandum and subscription materials. Each Fund investor is required to meet certain suitability qualifications, such as being a "qualified purchaser" as defined in the Investment Company Act or being a non-U.S. person as defined in Regulation S under the Securities Act.

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

Methods of Analysis

SAIA pursues a disciplined and consistent approach to identifying trading opportunities that offer attractive risk-reward ratio. The investment strategy and style differ across the Funds, but in general, investment opportunities are identified using fundamental analysis of economy, industries and companies.

A complete description of the investment objectives, strategies, and methods of analysis relating to each Fund is available in the Fund's private placement memorandum.

Investment Strategies

The GOOD Asia Strategy

The strategy invests in GOOD companies (superior long-term returns) that do GOOD (contribute positively to society). We focus on bottom-up stock picking targeting growing businesses that benefit from (i) demographic dividend in emerging Asian countries and (ii) technology and cultural exports from developed Asian countries.

Pan Asia Pacific ex Japan Equity Income Strategy

The strategy aims to harvest returns through dividend income and capital gain. We focus on quality companies that generate visible and consistent cash flows / or dividends while participate in the growth dynamic in Asia. We aim to Invest in companies with strong competitive edge – they are either leaders in their respective fields or are running a business with a high barrier of entry.

Equity Capital Markets (“ECM”) Strategy

SAIA’s ECM strategy is to participate in Initial Public Offering deal flows in Asia Pacific markets, through early engagement in management roadshows to assess business fundamentals and outlook, and engagement with equity capital market/ sponsors to assess market sentiment.

Risk of Loss

A Fund investment entails a high degree of risk and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in any of the Funds. Investing in securities involves a risk of loss that all investors should be prepared to bear. Specific risks include, but are not limited to fluctuations in stock prices, interest rates, emerging market risk, country risk, liquidity risk, currency risk, the use of derivative instruments, the use of financial leverage and counterparty risk.

Prospective investors should carefully consider the investment policies and risks, as detailed in each Fund’s prospectus or private placement memorandum or Investment Management Agreement, prior to making an investment. Additional details of some of these risks are included below:

Geopolitical Risks

On February 24, 2022, President Putin commenced a full-scale invasion of Russia’s pre-positioned forces into Ukraine. Geopolitical tensions globally have risen significantly in response and the US, Japan, the United Kingdom, EU member states, and certain other countries have imposed several rounds of economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties, and additional sanctions may be added in the future. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the impact of these events or how long the conflict or such sanctions will last. Strategic competition between the US and China and resulting tensions have also contributed to uncertainty in the geopolitical and regulatory landscapes. Similarly, other events outside of the Funds’ control, including natural disasters, climate change-related events, pandemics (such as the COVID-19 pandemic) or health crises may

arise from time to time and be accompanied by governmental actions that may increase international tension. Any such events and responses, including regulatory developments, may cause significant volatility and declines in the global markets, disproportionate impacts to certain industries or sectors, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets, which may cause the Funds' AUM, revenue and earnings to decline. The Funds' exposure to geopolitical risks may be heightened to the extent such risks impact the APAC region, either directly or indirectly, or other regions in which the Funds may seek to operate in the future.

Banking System Volatility

On Friday March 10, 2023, the U.S. Federal Deposit Insurance Corporation (the "FDIC") was appointed receiver for Silicon Valley Bank ("SVB") and created the Deposit Insurance National Bank of Santa Clara to protect SVB's insured depositors. On Sunday March 12, 2023, the FDIC was appointed receiver for Signature Bank and created Signature Bridge Bank, N.A. to protect depositors of Signature Bank. On Sunday March 12, 2023, the U.S. Department of Treasury (the "Treasury"), the FDIC and the Board of Governors of the Federal Reserve System ("Federal Reserve") jointly announced that, upon recommendation from the board of the FDIC and the Federal Reserve, and in consultation with the President of the United States, Treasury Secretary Yellen approved actions enabling the FDIC to complete its resolution of SVB and Signature Bank in order to protect all of those banks' depositors. To that end, on Monday March 13, 2023, the FDIC announced that it had created Silicon Valley Bridge Bank, N.A. ("SVB Bridge Bank") and transferred all deposits (regardless of dollar amount) and substantially all of the assets of SVB to SVB Bridge Bank. Depositors and borrowers of SVB automatically became customers of SVB Bridge Bank. According to the FDIC, SVB Bridge Bank is a full-service "bridge bank" that will be operated by the FDIC in an action to protect all depositors of SVB as the FDIC markets the institution to potential bidders, and all depositors of SVB will be made whole. The FDIC recently took similar steps with respect to Signature Bank. On March 19, 2023, at the urging of Swiss authorities, UBS Group announced plans to acquire Credit Suisse Group. Subject to regulatory approval, UBS Group would absorb Credit Suisse Group and succeed to all assets and all liabilities of Credit Suisse Group.

The Funds maintain substantially all of their cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and their respective deposits at certain of these institutions may exceed the insured limits, where applicable. The aforementioned events may impact the viability of the institutions listed above and other banking and financial services institutions. In the event of failure of any of the financial institutions where any Fund maintains its cash and cash equivalents, there can be no assurance that it would be able to access uninsured funds in a timely manner or at all. Any inability to access, or delay in accessing, these funds could adversely affect the business and financial position of the Funds. The closing of SVB and Signature Bank, the acquisition of Credit Suisse Group by UBS Group at the request of Swiss regulators, and any additional closures or resolution measures that may occur within the banking system, domestically and internationally, as well as the placement into receivership by the FDIC or other regulators, including foreign regulators, or bankruptcy, of any banks or other financial institutions, or a crisis of confidence in the industry by investors and consumers generally, in each case, will negatively impact the availability of certain financial services to the Funds and may require the Funds to establish new bank relationships. Such events may significantly increase the Funds' costs, negatively impact their ability to execute on pending transactions, including with

respect to the ability to draw down amounts under credit facilities, and divert our time, attention and resources away from the pursuit of the Funds' investment strategies. Furthermore, such events may also increase counterparty risk, including raising the likelihood of defaults or bankruptcies by counterparties that rely on such bank relationships. Depending on ongoing developments, regulatory guidance and timing, such events may significantly exacerbate the normal risks associated with the Funds and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iii) demand for investments; (iv) availability of credit in certain markets; and (v) laws, regulations and governmental policies. In addition, such events may lead to financial system and participant regulatory reform, and such increased regulatory oversight may impose additional administrative burden and costs on the Funds. The foregoing could materially adversely impact our operations and those of the Funds and their financing and overall cash flow, acquisition, development and leverage strategies and investment returns. It is currently unclear what the ultimate effect of the situation will be on the banking sector, private equity industry, real estate market and global financial markets as a whole.

Global health risks, such as COVID-19, may impact the Funds' investments

Disease outbreaks, such as the outbreak of coronavirus disease 2019 ("COVID-19"), that affect local economies, or the global economy may materially and adversely impact our investment portfolios and/or our business. COVID-19 was declared a pandemic as of March 11, 2020, with cases recorded in at least 180 countries and territories worldwide. These types of outbreaks have the potential to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions also have the potential to lead to instability in the marketplace, including market losses and overall volatility. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak such as COVID-19, there can be no assurance that we or our service providers will be able to maintain normal business operations for an extended period of time or will be able to retain the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impact, duration, intensity and consequences of a pandemic or disease outbreaks such as COVID-19 is unknown, which could result in a high degree of uncertainty for potentially extended periods of time.

Other Activities and Conflicts of Interest

SAIA will devote sufficient resources to pursue a Fund's objective of maximizing the expected returns on its portfolio, subject to general constraints on portfolio risk, exposure to extreme adverse events ("stress loss"), concentration, liquidity and other qualitative and quantitative considerations. However, in addition to managing the activities of any particular Fund, SAIA, its affiliates and directors, managers, members, shareholders, officers, agents and employees act as investment manager, investment advisor, sponsor, manager, for other clients, accounts and collective investment vehicles and may give advice, and take action, with respect to any of those clients, accounts and pooled investment vehicles that may differ from the advice given, or the timing or nature of action taken, with respect to a particular Fund. Where there is a limited supply of an investment opportunity, SAIA will use its best efforts to allocate or rotate investment opportunities in a manner deemed equitable, but SAIA cannot assure, and assume no responsibility for, equality among all accounts and clients. SAIA, its affiliates, managers,

members, shareholders, officers, directors, employees and the agents of SAIA and its affiliates may engage in transactions or investments or cause or advise other clients to engage in transactions or investments that may differ from or be identical to the transactions or investments engaged in by SAIA for such Fund. SAIA shall not have any obligation to engage in any transaction or investment for the Fund's account that SAIA or its respective affiliates or any of the members, officers, directors or employees of SAIA or their affiliates may engage in for their own accounts or the account of any other customer, except as otherwise required by applicable law. To the extent permitted by law, SAIA will be permitted to bunch or aggregate orders or to elect not to bunch or aggregate orders for the Fund's account with orders for other accounts, notwithstanding that the effect of such bunching, aggregation or lack thereof may operate to the disadvantage of the Fund.

Prospective investors should note that a Fund may, as contemplated in the Fund's constituent documentation and subject to the approval of the Fund's directors, obtain services (including but not limited to prime brokerage, banking, trading in derivative instruments, and securities sales and marketing) from providers who are investors in the Fund or are affiliates of such investors. Such services will be provided pursuant to arms-length arrangements on commercial terms. Investors in the Fund and affiliates of such investors may engage in a broad spectrum of activities, including insurance, banking, underwriting, asset management and financial advisory activities that are independent from and may from time-to-time conflict with the activities of the Fund.

Prospective investors should understand that SAIA, directly or indirectly, earns certain fees from the Fund and the investors and exercises control over the Fund on a continuous basis. However the fiduciary obligations of SAIA and the affiliated parties and persons require that they exercise good faith and integrity in resolving any conflicts of interest and act in the best interests of each of their respective clients.

SAIA may undertake sale and purchase transactions between client accounts (cross trades) where: (a) the sale and purchase decisions are in the best interests of both clients and fall within the investment objective and policies of both clients; (b) the trades are executed on arm's length terms at current market value; and (c) the reason for such trades is documented prior to execution.

There can be no assurance that a Fund will be able to achieve its investment objectives or that investors will receive a return of their capital.

Item 9 – Disciplinary Information

SAIA and its supervised persons have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

As previously stated, SAIA is related to SACM, which serves as the managing member of some of the Funds. In addition, as a subsidiary of SPARX Group, SAIA has numerous affiliates. However, SAIA does not have a relationship or arrangement with any other affiliate that is material to SAIA's advisory business or the Funds.

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

SAIA permits its employees to engage, on a limited basis, in personal securities transactions. To avoid any potential conflicts of interest involving personal trades, SAIA has adopted a code of ethics, which includes the following provisions, among others:

1. Each access person and associated person of SAIA: (a) owes a fiduciary obligation to the company's clients; (b) has the duty at all times to place the interests of the Funds and their respective shareholders, if any, first; (c) must conduct all personal securities transactions in such a manner as to avoid any actual or potential conflicts of interest or abuse of an individual's position of trust and responsibility; (d) should not take inappropriate advantage of their positions in relation to clients; and (e) must safeguard non-public information about clients and investors and their accounts, securities, instructions and interests.
2. Each access person and associated person of SAIA must comply at all times with applicable U.S. federal securities laws.
3. Each access person of SAIA must provide periodic personal holdings and transaction reports to the Chief Compliance Officer.
4. Each access person and associated person of SAIA must report violations of the code of ethics to the Chief Compliance Officer.
5. Each access person and associated person of SAIA must receive a copy of the code of ethics (and any amendments) and must provide a written acknowledgement of his or her receipt of the code of ethics (and any amendments) to the Chief Compliance Officer.

SAIA will provide a copy of its code of ethics to any Fund investor or perspective Fund investor upon request.

Item 12 – Brokerage Practices

The process of selecting a broker is intended to determine which broker is best able to execute the particular transaction (taking into account the market for the securities and the size of order) at the best combination of price and quality of execution that is most favorable to the client for whose account the trade is being executed. In selecting brokers, no factor is necessarily determinative and seeking to obtain best execution for all client trades takes precedence. Selection will occur after review of all relevant criteria, including the following:

1. Price of securities – The actual price to be paid for the securities. The ability of a broker to obtain the best overall price for a transaction and to buy and sell securities with minimal disruption in the market place.
2. Market familiarity – The broker’s knowledge of the market for the particular security.
3. Reliability – Whether the broker has been able to provide support to the trader when placing a difficult trade in this security or similar securities in the past. If a broker has successfully assisted with past trades, that broker is more likely to be selected for future trades.
4. Integrity (ability to maintain confidentiality) – When executing block orders, traders do not want to divulge their interest to the market. If a broker has demonstrated the ability to provide discreet execution of block orders, that broker is more likely to be selected.
5. Research budget/rankings – All other relevant factors being equal, the research capabilities of brokers may be considered when choosing a broker. In making this determination, all other variables must be equal and the broker must be capable of providing best execution in order for this factor to play a role in the selection of a broker. Analyst rankings may also be used to ascertain which brokerage research departments have the strongest track record.
6. Commission rates – Commission rates and other brokerage costs are considered.
7. Trade settlement (settlement risk) – The trader may take into account a broker’s ability to ensure that the securities will be delivered on settlement date.
8. High volume transaction – The trader may select a broker that specializes in block orders.
9. Financial condition – The trading desk may take into account the financial condition of a broker and may choose not to utilize a particular broker due to uncertainty regarding the broker’s financial status.
10. Technology infrastructure and operational capabilities – A trader generally selects a broker only if he or she believes that the broker has the infrastructure and operational capabilities to execute and settle the trade.
11. Willingness to commit capital – If an account holds a thinly-traded issue and there is limited interest in the securities, a broker may be selected based on its willingness to purchase or sell securities for or from its own inventory.

In addition to above, certain brokers and dealers who provide quality brokerage and execution services also furnish research services. Together, SAIA has adopted a brokerage allocation policy that permits SAIA to cause an account to pay commission rates in excess of those another broker or dealer would have charged for effecting the same transaction if SAIA determines in good faith that the commission paid is reasonable in relation to the value of the brokerage and research services provided. The determination may be made in terms of either a particular transaction or the overall responsibilities of SAIA with respect to the Funds over which it exercises investment discretion. Research so received will be shared in the management of the Funds but may not necessarily benefit all Funds paying commissions to such brokers or all such Funds equally.

Item 13 – **Review of Accounts**

Daily or monthly NAV reports are prepared for each Fund advised by SAIA. Fund portfolios are monitored and reviewed on a continual basis by the relevant Portfolio Manager, Director of Risk Control & Compliance, and the President. Each review includes an analysis of portfolio positions, market trends, and investment opportunities.

Fund investors receive daily or monthly confirmations of their net asset value per share from the Fund administrator. A monthly performance report is also sent to investors. The performance report includes details of assets under management, monthly and accumulated returns, performance returns, manager review and outlook, and statistical analyses covering the performance of the portfolio. Investors will also receive annual audited financial statements.

Item 14 – **Client Referrals and Other Compensation**

SAIA does not expect to receive economic benefits from non-Clients for providing investment advice and other advisory services.

Item 15 – **Custody**

All client assets are held in custody by unaffiliated broker/dealers or banks. Fund investors will not receive statements from the custodian. Instead the Funds are subject to annual audits and the audited financial statements are distributed to Fund investors. The audited financial statements will be prepared and distributed within 120 days of the Funds' fiscal year ends.

Item 16 – **Investment Discretion**

SAIA has discretionary authority to determine the securities to be bought or sold, the amount of such securities to be bought or sold, the broker or dealer to be used, and the commission rate to be paid with respect to the Funds. Limitations on this authority are outlined in each Fund's private placement memorandum and investment management and advisory agreements.

Item 17 – Voting Client Securities

SAIA has adopted a proxy voting policy (the “Policy”) that provides as follows:

1. SAIA generally makes voting decisions pursuant to its Voting Guidelines (the “Guidelines”), unless as otherwise permitted by the Policy (such as when specific interests and issues require that a client’s vote be cast differently from SAIA’s decision in order to act in the best economic interests of clients).
2. Where a material conflict of interest has been identified and the matter is covered by the Guidelines, proxies are voted in accordance with the Guidelines. Where a conflict of interest has been identified and the matter is not covered in the Guidelines, SAIA will disclose the conflict and the determination of the manner in which to vote to the Board.
3. SAIA may determine not to vote proxies in respect of securities of any issuer if it determines it would be in its clients’ overall best interests not to vote.

The Guidelines address proxy voting on particular types of matters such as elections for directors, adoption of option plans and anti-takeover proposals. For example, SAIA’s decisions generally will:

1. Support management in most elections for directors, unless there are clear concerns about the past performance of the company or the board fails to meet minimum corporate governance standards;
2. Support option plans that motivate participants to focus on long-term shareholder value and returns, encourage employee stock ownership and more closely align employee interests with those of shareholders; and
3. Vote for mergers, acquisitions and sales of business operations, unless the impact on earnings or voting rights for one class or group of shareholders is disproportionate to the relative contributions of the group or the company’s structure following the acquisition or merger does not reflect good corporate governance, and vote against such actions if the companies do not provide sufficient information upon request concerning the transaction.

Investors may obtain information about how SAIA voted Fund proxies, as well as a copy of SAIA’s proxy voting policies and procedures upon request by contacting the number on the cover of this brochure or by email at: LC.SPARXAsia@sparxgroup.com.hk.

Item 18 – Financial Information

SAIA has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.