

Teng Yue Partners, L.P.

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Teng Yue Partners, L.P. (“Teng Yue”). If you have any questions about the contents of this Brochure, please contact Teng Yue at the phone number listed above. 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.

Registration as an investment adviser does not imply that Teng Yue or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Teng Yue also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There are no material changes to report since March 28, 2023, the date on which the most recent annual amendment to this Brochure was filed.

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Item 4: Advisory Business

Teng Yue Partners, L.P. (“**Teng Yue**”, the “**Firm**”, “**we**”, “**us**”, or “**our**”) was formed in February 2011. Tao Li is the founder and Managing Partner of the Firm. Teng Yue is a limited partnership organized under the laws of the State of Delaware.

Teng Yue is currently an investment adviser on a discretionary basis to the following private funds (collectively, the “**Clients**”):

- Teng Yue Partners Fund, L.P. (the “**Onshore Fund**”)
- Teng Yue Partners Offshore Fund, L.P. (the “**Offshore Fund**”)
- Teng Yue Partners Master Fund, L.P. (the “**Master Fund**”)
- Teng Yue Partners RDLT, LP (“**PE Fund I**”)
- Teng Yue Partners RDLT II, LP (“**PE Fund II**”)

The Onshore Fund and the Offshore Fund (together, the “**Feeder Funds**”) invest substantially all of their assets in the Master Fund. All Feeder Fund investments in securities are made through the Master Fund. Collectively, the Feeder Funds and the Master Fund are referred to as the “**Hedge Funds**” and are each individually referred to as a “**Hedge Fund**.” In managing the Hedge Funds, Teng Yue pursues the Hedge Funds’ investment objective by investing in a combination of long and short Asia-focused equity investments, which are currently concentrated in industries within Greater China. In managing PE Fund I and PE Fund II (together, the “**PE Funds**,” and each individually a “**PE Fund**”), Teng Yue pursues each PE Fund’s investment objective by investing primarily in private Chinese companies.

Teng Yue provides advice to the Clients based on their specific investment objectives and strategies. Teng Yue does not tailor advisory services to the individual needs of investors of the Clients.

Teng Yue launched its fund operations in March 2011. The general partner of the Onshore Fund, the Offshore Fund and the Master Fund is Teng Yue Partners GP, LLC (the “**HF General Partner**”), a Delaware limited liability company controlled by Tao Li. The general partner of PE Fund I and PE Fund II is Teng Yue Partners RDLT GP, LLC (the “**PE Fund General Partner**,” and, together with the HF General Partner, the “**General Partners**”), a Delaware limited liability company controlled by Tao Li.

As of December 31, 2023, Teng Yue managed U.S.\$ 2,804,357,803 in regulatory assets under management, all on a discretionary basis.

Item 5: Fees and Compensation

The Hedge Funds

The management fees paid to Teng Yue for advising the Hedge Funds are generally as follows:

- i. if the aggregate net asset value of the Hedge Funds is less than or equal to \$200 million, 2.0% (annually, paid quarterly in advance);
- ii. if the aggregate net asset value of the Hedge Funds is greater than \$200 million but less than \$500 million, 1.75% (annually, paid quarterly in advance); and
- iii. if the aggregate net asset value of the Hedge Funds is equal to or greater than \$500 million, 1.5% (annually, paid quarterly in advance).

Fees are deducted from the Hedge Funds by submitting a detailed invoice to their administrator (the “**Administrator**”). The invoice is then processed and approved by the Administrator before being paid to the Firm at the discretion of the Administrator. Any management fees paid in advance by the Hedge Funds are refundable on a prorated basis if the relevant advisory contract is cancelled prior to the end of a payment period.

In our sole discretion, we have waived in the past, and expect to waive in the future, all or any portion of the management fees or performance-based compensation (as described in Item 6) with respect to certain investors in the Hedge Funds.

The PE Funds

The management fees paid to Teng Yue for advising the PE Funds are generally as follows:

- i. During a PE Fund’s investment period, 1.5% of aggregate capital commitments (annually, paid quarterly in advance); and
- ii. After a PE Fund’s investment period, 1.5% of the aggregate cost basis of such PE Fund’s investments (annually, paid quarterly in advance), less any permanent write-down to zero value.

Fees are deducted from the PE Funds by submitting a detailed invoice to their Administrator. The invoice is then processed and approved by the Administrator before being paid to the Firm at the discretion of the Administrator. Any management fees paid in advance by a PE Fund are refundable on a prorated basis if the relevant advisory contract is cancelled prior to the end of a payment period.

In our sole discretion, we have waived in the past, and expect to waive in the future all or any portion of the management fees or carried interest (as described in Item 6) with respect to certain investors in the PE Funds.

Expenses

Teng Yue and the General Partners will be responsible for their own general operating and overhead costs.

Each Client will bear its own organizational and operating expenses including, as applicable, legal, accounting (including third party accounting services), audit, and other professional fees and expenses, research expenses, expenses of third-party valuation agents (if any), fees and expenses related to portfolio investments or prospective investments (whether or not consummated) such as commissions, custodial fees, bank service fees, expenses of third-party trading services, fees and expenses of the Administrator, travel expenses in connection with investment activity, legal fees and expenses incurred in connection with investment activity, asset verification, appraisal and valuation fees and expenses, investment banking expenses and professional investigatory services, fees due to unaffiliated advisors, sub-advisors and consultants, specific expenses incurred in obtaining or maintaining technology and systems, finders and service companies, any individual computer or software product utilized with respect to a particular investment, information and information service subscriptions utilized with respect to the Client’s investment program and other expenses related to the purchase, sale, preservation or transmittal of the Client’s assets. Expenses that are paid or payable by the Master Fund generally are borne *pro rata* by the Feeder Funds. For a complete enumeration of the treatment of expenses, please refer to the operating fees and expenses section of each Feeder Fund’s Confidential Private Placement Memorandum and each PE

Fund's Confidential Private Placement Memorandum. For further details on the Firm's brokerage practices, please refer to Item 12 of this Brochure.

If any of the expenses listed above are incurred on behalf of more than one Client, such expenses will generally be allocated among such Clients either in proportion to the size of the investment made by each Client to which such expense relates (in respect of trading and investment-related expenses), based upon the capital in each respective Client (in respect of non-trading and investment related expenses), or in such other manner as the General Partners consider fair and equitable.

From time to time, the Firm may permit certain investors to co-invest in investments alongside one or more of the Clients, subject to the relevant governing documents, as well as the considerations described in Item 8 below. Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Clients. For co-investments, the expense allocation may differ from *pro rata* but will be in line with disclosures in the governing documents for the relevant Clients.

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

The Hedge Funds

The HF General Partner is entitled to an annual performance-based profit allocation at the end of each calendar year with respect to the Feeder Funds, generally equal to twenty percent (20%) of the Hedge Funds' net profits, subject to a "loss recovery account."

The PE Funds

The PE Fund General Partner is entitled to carried interest equal to twenty percent (20%) of the amount distributed to the investors in each PE Fund, after the return of capital contributions and subject to a preferred return. Carried interest is a performance-based form of compensation.

Conflicts Related to Performance Based Fees

The existence of performance-based compensation creates a possible incentive to cause us to make investments for the Hedge Funds and PE Funds that are more speculative than would otherwise be the case in the absence of such performance-based compensation. However, we believe this incentive is mitigated by the personal investment in such vehicles by our principal and the fact that losses will reduce the Hedge Funds' and PE Funds' performance and, thus, our principal's returns as well.

We make investments through the Master Fund and/or one or both of the PE Funds. Our allocation policy provides that transactions and investment opportunities will be handled on a fair and equitable basis over time. Performance-based compensation creates a potential incentive to favor accounts that are subject to higher compensation rates over other accounts in the allocation of investment opportunities. In addition, our related persons (including Tao Li) invest in one or more Clients. Such investments are generally substantial but investments in certain Clients are larger compared to other Clients. As a result, we have a possible incentive to favor the Client(s) in which our related persons have a greater economic interest and have a potential conflict of interest in allocating investment opportunities among those Client accounts. In order to mitigate these potential conflicts, we will generally follow the allocation policy and procedures described in Item 12 below.

Item 7: Types of Clients

The Firm's Clients are the Hedge Funds and the PE Funds. To invest in the Hedge Funds and the PE Funds, we generally require a minimum investment of \$25,000,000 and \$5,000,000, respectively, although we reserve the discretion to accept less. We may in the future advise additional private funds or separately managed accounts for institutional, non-retail investors.

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

As a general matter, the investment strategies utilized by the Firm are described in the Clients' offering and governing documents, which are provided to such Clients' investors. The information contained herein is a summary only, and investors should refer to the relevant Client's offering and governing documents for a complete overview of the Firm's investment strategies and the risks associated therewith.

Investment Strategy**The Hedge Funds**

The Hedge Funds seek to achieve significant capital appreciation with reduced market risk primarily through a combination of long and short Asia-focused equity investments. The Hedge Funds target non-correlated returns to relevant indices. The Hedge Funds' investment strategy is driven by rigorous fundamental research, company analysis, disciplined investing, and a long-term focus.

The Hedge Funds portfolio is currently concentrated in globally listed investments in industries within Greater China across a variety of sectors, market capitalizations, and listing locations. As part of this strategy, the Hedge Funds have invested and will invest in other Asian markets (including, but not limited to, Japan, Korea, and Southeast Asia) and outside of Asia (including, but not limited to, North America) where the Firm's research as described herein helps develop compelling theses for these investment ideas. For example, in pursuit of its investment objective, the Firm has in the past and expects in the future to identify attractive investments in global companies that are impacted by economic, social, or other trends or themes related to China. The Firm implements the Hedge Funds' investment strategy through investments in equities and derivatives (including, but not limited to, common stocks and American Depositary Receipts of publicly traded companies, shares in private companies, equity swaps, index swaps, forwards, options, and futures), and other instruments including convertible bonds. The Firm may also use long or short investments to hedge positions or the overall portfolio from certain exposures or risks by utilizing any of the following instruments for hedging purposes in a variety of markets, including, but not limited to, single name equities, derivatives, currencies, indices, and baskets. The Hedge Funds are currently invested in unaffiliated investment funds.

While the Hedge Funds will set no strict parameters for the balance of long and short positions in the portfolio, we expect that under normal market conditions the Hedge Funds' net exposure (total long exposure minus total short exposure) will generally range from -25% to 65%, with gross exposure (total long exposure plus total short exposure) generally ranging from 150% to 250%. Under normal market conditions, the portfolio typically will have approximately 30-50 long positions and approximately 30-50 short positions ranging from 1% to 10% of equity. The Hedge Funds, however, have at times and may in the future under certain circumstances have net and gross exposures which are outside these ranges, and invest a larger portion of their equity in a single position. The investment strategy will generate a portfolio that is relatively concentrated.

While the Hedge Funds invest primarily in accordance with the methodology discussed above, we maintain broad and flexible investment authority. For instance, from time to time, the Hedge Funds may make an investment that is subject to legal or contractual restrictions on transferability, unable to be fairly valued, or otherwise not readily marketable without impairing the value of such investment. To the extent that the HF General Partner determines that such circumstances apply to an investment, at the time of investment, the HF General Partner may designate such investment as a “Special Situation Investment.” Special Situation Investments may be held either directly by the Hedge Funds or transferred so that they are held indirectly, outside of the Hedge Funds, through alternative investment vehicles.

The PE Funds

The primary investment objective of each PE Fund is to make private equity investments by investing in and holding equity and equity-oriented securities of privately held companies organized in, or having substantial markets or operations in, China. Each PE Fund may also buy, sell or hold listed securities in connection with pursuing its investment objective. Each PE Fund aims to invest its capital in Chinese internet, healthcare companies (including biotechnology companies) and other sectors. Each PE Fund aims to provide investors the opportunity to participate directly in the growth opportunities present in Chinese private equity. Each PE Fund’s investment strategy is driven by rigorous fundamental research, company analysis, and disciplined investing. Note that the investment periods for both PE Funds have ended, and both funds are no longer making new investments.

Risk of Loss Factors

Investing in securities involves risk of loss that investors should be prepared to bear. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Clients. Please review each Feeder Fund’s Confidential Private Placement Memorandum and each PE Fund’s Confidential Private Placement Memorandum (as applicable) for a more detailed description of the risks of loss before deciding to invest in a Client.

Risks Associated with Investments Generally

Equity Securities

Certain equity-related instruments may be subject to various types of risk including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss. We believe that our investment program and research techniques moderate this risk through a careful selection of securities and other financial instruments; however, no guarantee or representation is made that the investment program will be successful. Certain Clients will invest capital in long and short positions in equities and other investments, which do not produce current income for them. The nature of the securities to be purchased and traded by the Clients and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. Equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries, investing in equity is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

Derivatives

We use various derivative instruments as direct investments or for hedging purposes for certain Clients. Such instruments may be volatile, speculative and subject to wide fluctuations in market value resulting in potential losses to our Clients. The parties with which we enter into such derivatives are banks, broker-dealers and other financial institutions.

Use of derivative instruments presents various risks, including the following:

Liquidity – Derivative instruments may not be liquid in all circumstances. We may not be able to close out a position at its fair value.

Leverage – Trading in derivative instruments can result in leverage, which may magnify the gains and losses experienced by our Clients and could cause the value of our Clients' accounts to be subject to wider fluctuations than would be the case if derivative instruments were not used.

Over-the-Counter-Trading – Certain derivatives are not traded on an exchange. Such instruments are bilateral contracts with price and other terms negotiated between the buyer and seller. These contracts are not subject to the same type of government regulation as exchange-traded instruments. Many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. The risk of nonperformance by the obligor on such an instrument may be greater and the liquidity of such investment may be less than in the case of an exchange-traded instrument.

Increased Regulation – The SEC has proposed new rules to require disclosure of certain significant securities-based swaps positions. If the disclosure is adopted as proposed, we would be required to regularly publicly disclose our securities-based swaps positions, which we would take into consideration when making trade decisions. Therefore, our ability to trade in such positions may be impacted.

Non-U.S. Securities

Considerations associated with investing in securities of non-U.S. governments and companies, and options thereon, include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Leverage & Interest Rates

We utilize leverage (in the form of borrowed funds, short sales or derivative instruments) in order to increase investment positions or to make additional investments. Risk of loss and the magnitude of possible losses and gains are generally increased by the use of leverage. Fluctuations in the market value of the Clients' portfolios will have a greater effect relative to the Clients' capital than would be the case in the absence of leverage. Adverse market fluctuations may require the untimely liquidation of one or more investment positions in order to satisfy margin calls or other lender or counterparty requirements. Although leverage is expected to be moderate relative to portfolio exposure, there will be no fixed restrictions on

the level of the Clients' margin borrowings or other forms of leverage, other than any applicable regulatory limits. Accordingly, the amount of leverage or borrowings the Clients may have outstanding at any time could be substantial relative to their capital. Additionally, interest costs of borrowings will be an expense of the Clients and therefore both borrowing levels and fluctuations in interest rates may affect the operating results of the Clients.

Illiquid Investments

The Clients invest in illiquid securities or other instruments, including both listed and unlisted instruments. Additionally, investments may become illiquid due to market conditions. The success of these investments is typically dependent not only upon the performance of the relevant companies, but also upon the Firm's ability to engineer effective "exit strategies" in order to realize any enterprise value created or to force the companies to create liquidity opportunities. These investments may consume a substantial amount of the Firm's time. The market prices, if any, for these securities tend to be volatile and may not be readily ascertainable, and a Client may not be able to sell them when it desires to do so or to realize what we perceive to be their fair value in the event of a sale. The Clients may be contractually prohibited from disposing of certain of these investments for a specified period of time. The sale of restricted and/or illiquid securities often requires more time and may result in higher brokerage charges than does the sale of more liquid securities. The limited liquidity of these investments may subject them to more extensive fluctuations in value and may impair the ability of the Clients to exit such investments in times of adversity. Companies whose securities are not publicly-traded generally will not be subject to public disclosure and other investor protection requirements applicable to publicly-traded securities. Illiquid positions also may be difficult to value and such valuation requires the exercise of substantial discretion by the Firm. Because the Firm receives management fees and the HF General Partner is entitled to performance-based compensation from the Hedge Funds, our involvement regarding valuation of the Clients' portfolios may present a potential conflict of interest because we would benefit from higher valuations of the portfolios, which would result in greater management fees payable to us and, in the case of the Hedge Funds, possibly larger performance-based compensation allocable to the HF General Partner. We will actively manage and monitor any such potential conflict of interest and strictly follow the Firm's valuation policy.

Foreign Currency

The Clients invest in securities or maintain cash denominated in currencies other than the U.S. Dollar. The Clients are exposed to risk that the exchange rate of the U.S. Dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of the Clients' assets, liabilities and net assets denominated in currencies other than the U.S. Dollar. The Hedge Funds utilize, and the PE Funds may utilize, forward foreign currency contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Cybersecurity Breaches and Identity Theft

With the increased use of technologies such as the Internet and the dependence on computer systems to perform business and operational functions, portfolios (such as the Clients' portfolios) and service providers may be prone to operational and information security risks resulting from cyber-attacks and/or technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security

breakdowns of, the Clients, the Firm, the General Partners or any third-party service provider may adversely affect the Clients or investors. For instance, cyber-attacks may interfere with the processing of transactions, affect our ability to calculate the Clients' net asset values, cause the release of private investor information or confidential Client information, impede trading, cause reputational damage, and subject a Client to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. Cyber-attacks may render records of a Client's assets and transactions, ownership of the interests in a Client, and other data integral to the functioning of a Client inaccessible, inaccurate or incomplete. A Client may also incur substantial costs for cybersecurity risk management in order to prevent cyber incidents in the future. The Clients and investors could be negatively impacted as a result. While the Firm has established business continuity plans and systems designed to minimize the risk of cyber-attacks through the use of technology, processes and controls, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified given the evolving nature of this threat. We and the Clients rely on third-party service providers for many day-to-day operations, and will be subject to the risk that the protections and protocols implemented by those service providers will be ineffective to protect the Clients from cyber-attacks. In addition, regulators in the U.S. and other jurisdictions have proposed new rules and regulations that may impact the Firm and the Clients. Any new rules or regulations could result in additional disclosure obligations and increased compliance costs for the Firm and the Clients.

Concentration Risk; Lack of Diversification

Each PE Fund's portfolio is currently concentrated in a limited number of investments. As such, the PE Funds' assets are not diversified. Any such non-diversification increases the risk of loss to the PE Funds if there is a decline in market value of the investments in which the PE Funds have invested a large percentage of their assets. Additionally, the Hedge Funds' portfolio may not be diversified among a wide range of types of securities as other investment vehicles. Accordingly, the investment portfolio of the Hedge Funds may be subject to more rapid change in value than would be the case if the Hedge Funds were required to maintain a wider diversification among types of securities and other instruments.

Trade Policy Risk

Trade agreements and the status of U.S. trade balances, particularly with respect to China, have been a significant issue since the 2016 U.S. presidential election. U.S. trade laws and enforcement practices could become less permissive with respect to trade with emerging markets. The United States may also limit its participation in certain bilateral and multilateral trade agreements and organizations. These changes in U.S. trade policy could disincentivize U.S. companies from trading with emerging markets. As a consequence, the Clients' operations may suffer, and the Clients' returns may be negatively impacted.

Regulatory Developments

On June 3, 2021, President Biden issued Executive Order 14032 titled, "Addressing the Threat From Securities Investments That Finance Certain Companies of the People's Republic of China" (the "**Executive Order**"). The Executive Order effectively adjusts and refines Executive Order 13959 previously issued by then-President Trump on November 12, 2020, but maintains the overall focus on prohibiting the purchase or sale of publicly traded securities (and derivatives of such securities) of issuers identified pursuant to the Executive Order. On December 18, 2020, then-President Trump signed into law the Holding Foreign Companies Accountable Act (the "**HFCAA**"). The HFCAA is aimed at delisting from U.S. securities exchanges certain non-U.S. issuers including issuers in China and other markets in which the Clients may invest. On December 2, 2021, the SEC issued a final rule to implement the

HFCAA. Under the rule, the SEC will identify issuers (including China-based issuers) for which a non-compliant auditor (as determined by the Public Company Accounting Oversight Board) serves as the “principal accountant” on such issuers’ annual reports and may impose a subsequent trading ban on such issuers. The Executive Order and the HFCAA have limited the ability of certain U.S. based investors to make certain investments and have impacted certain of their investments and could have a material adverse effect on the Clients’ investment performance. Violations of the Executive Order and the HFCAA can result in significant civil and/or criminal penalties.

Unverified List

Licenses or other authorizations are required from U.S. Government agencies for the export of many commercial products in accordance with various regulations, including the United States Export Administration Regulations administered by the Bureau of Industry and Security (“BIS”) of the U.S. Department of Commerce. Under these regulations, a license or other authorization may be required before transferring certain export-controlled products, articles or technical data to specific entities and individuals, including, without limitation, those set forth on the Unverified List published by the BIS (the “UVL”). The BIS has in the past added Chinese entities to the UVL and may in the future add other Chinese companies to the UVL. The UVL and related laws and regulations could impact the ability of the Clients’ portfolio companies or their related entities to receive certain products and goods used in their businesses.

Risks Associated with Investing in Asian Emerging Markets

The Clients invest in certain Asian markets, including China. Such investments involve certain risks not typically associated with investments in other regions or more developed markets. The Firm seeks to manage the Clients in a manner designed to mitigate these risks relative to the potential for gain, but such risks cannot be eliminated entirely, and, in any case, may be beyond the control of the Firm. Such risks may increase expenses of a Client, adversely affect the value of a Client’s investments and returns and adversely impact a Client’s investment program and strategy.

China

The overall economic conditions in China may have a significant impact on the Clients’ performance. The Chinese economy, like the world economy, continues to evolve. Future Chinese and world political events, as discussed further below, could have an adverse impact on the Firm and the performance of its Clients.

The Clients’ performance is subject, to a significant degree, to economic, political and legal developments in China. China’s economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, and control of foreign exchange and allocation of resources. Since 1978, China has been one of the world’s fastest growing economies in terms of gross domestic product. It is, however, uncertain that such growth will be sustained in the future. For example, any slowdown in the economies of the United States, the European Union or certain other Asian countries may adversely affect economic growth in China. An economic downturn in China might adversely affect an individual portfolio company’s or a Client’s overall profitability. Moreover, while the Chinese economy has experienced significant growth in the past 20 years, growth has been uneven across different regions and among various economic sectors of China. The Chinese government has implemented various measures to encourage economic development and guide the allocation of resources. The Chinese government exercises significant control over China’s economic growth through the allocation of

resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Such measures may cause a decrease in the level of economic activity in China, which, in turn, could adversely affect the Clients' performance.

Political, Economic, and Social Risks

The political environments in many countries, including in the United States, those constituting the European Union and otherwise located in Europe and in others around the world, continue to evolve and over the last couple of years seem to be changing rapidly. In particular, more recent events, including the invasion of Ukraine by Russia and the related ongoing conflict and the imposition of sanctions on Russia and businesses affiliated with that country by a number of countries including the United States, have interjected uncertainty and volatility into global financial markets. It is possible that any fallout from the Russian/Ukrainian conflict will have effects on other European countries as such countries address cross-border refugee movements and other potential threats. The long-term impact of these sanctions remains unclear, although they may prove to limit potential investment opportunities and may impair cash flow that is material to an investment if third parties doing business with a company underlying an investment are sanctioned parties. The regulatory framework of sanctions is often complex and at times counter-intuitive. It is possible that the Clients might have exposure to transactions that directly or indirectly involve sanctioned parties and may pose liability and compliance risks to the Clients.

In addition, past and recent events throughout the Middle East may adversely impact the global economy, specific regions or individual companies with exposure to aspects of these conflicts, which could adversely impact the markets in which the Clients focus.

Investment themes, economic analysis and assumptions, asset valuation and underwriting for many institutional investors and asset classes tend to be premised on, and include data and assumptions which are, largely historical and backward looking. Because of this and political instability with heightened tension and potential social unrest, fundamental changes in international relations, treaties and alliances, trade, tariffs, sanctions, export controls, import controls/customs, taxes, governmental reviews and discretion (e.g., by the U.S. Committee on Foreign Investment in the United States (CFIUS)) individually or in the aggregate can have a material effect on the opportunities, asset values, ability to finance assets, ability to dispose of assets and overall performance and financial condition of the Clients and individual investors' investment performance. Likewise, the 2024 U.S. presidential election may have a positive or negative impact on the regulatory environment in which the Firm and the Clients operate.

Inflation

In response to past economic events, including the global financial crisis and the COVID-19 global pandemic, countries around the world in the recent past significantly loosened monetary policy and injected trillions of dollars into the global economy in an effort to prevent more severe economic turbulence. This level of support has given rise to significant increases in government spending globally and in many instances significant increases in the amount of debt issued by governments in the international bond markets. In addition, China, the United States and other countries have experienced, and in the future may experience, disruptions throughout the supply chain. Current and future disruption in supply of goods, combined with loose monetary policy and unprecedented levels of government spending, may materially increase inflation of the Chinese Yuan, U.S. dollar and other currencies in the coming years. While some countries have addressed inflation with varying degrees of success, it is possible that inflation may persist or worsen in any number of countries. Inflation and rapid fluctuations in inflation rates have had in the past, and in the future may have, negative effects on economies

and financial markets, which may consequently have a materially adverse impact on the Clients' investment performance.

Significant Positions

The accumulation of a significant position in the shares of a single issuer could lead to increased compliance or legal risk and expense. The Clients may acquire a percentage of securities that are traded in U.S. or non-U.S. jurisdictions that would trigger regulatory reporting or other statutory requirements in other countries (e.g., filing a voting rights disclosure, making a mandatory tender offer). In such circumstances, the Clients could incur legal or other expenses in connection with their compliance with the relevant laws. In carrying out each Client's investment strategy, we reserve the right to make contact with other shareholders of the securities of a portfolio company. We do not intend to form a group with such shareholders or to act in concert with them. Nonetheless, a regulator may find that we are part of a group or acting in concert with other shareholders, such that the Clients' holdings should be aggregated with those of the other shareholders. Such aggregation may result in a Client's position exceeding the threshold for disclosure filings or other statutory requirements. In addition, a significant position in an illiquid issuer could result in an increased adverse impact on any Client's portfolio if such issuer experiences negative performance.

Modification of Terms

To the extent permitted by applicable law (which is currently in a state of transition), the Firm has the absolute discretion to agree with any investor to waive or modify the application of any provision of a Client's governing documents with respect to such investor (including those relating to management fees, performance compensation, transparency and liquidity) without obtaining the consent of any other investor (other than an investor whose rights under the applicable Client's governing documents would be materially and adversely changed by such waiver or modification), possibly enabling such investors to better assess the prospects and performance of the Clients. In addition, investors have from time to time been provided with, and may in the future be provided with, information about the Firm and the Clients in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other investors and prospective investors who do not request such information. Such information may affect a prospective investor's decision to invest in the Clients, and investors (which may include personnel and affiliates of the Firm) may, to the extent permitted by applicable law, be able to act on such additional information and withdraw/redeem from certain Clients potentially at higher values than other investors. Any such withdrawals/redemptions may result in reduced liquidity for other investors and, in order to meet larger or more frequent withdrawals/redemptions, a Client may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of such Client. Recent rules promulgated by the SEC which soon become effective, however, will result in changes to these policies and their implementation. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by the Firm is sufficient for its needs.

Force Majeure Events

Our business is materially affected by conditions in the global financial markets and economic conditions or events throughout the world that are outside of our control, including, but not limited to, regulatory interventions, changes in interest rates, availability and terms of credit, inflation rates, economic uncertainty, slowdown in global growth, changes in laws (including laws relating to taxation and regulations on the financial industry), disease, pandemics or other

severe public health events, trade barriers, commodity prices, currency exchange rates and controls and national and international political and social circumstances (including government shutdowns, wars, terrorist acts or security operations). Difficult market conditions, such as those occurring due to COVID-19 or those occurring due to social movements, including the short squeeze of certain stocks driven by followers of certain social media sites, may adversely affect the Firm's business and operations by reducing the value or performance of the Clients' investments or by reducing the Firm's ability to raise or deploy capital, each of which could negatively impact the returns to investors. In addition, the Firm's view of macroeconomic conditions influences the investment approach and investment decisions. If the Firm's beliefs regarding market conditions turn out to be incorrect, investments made based on a certain expectation for how the market will perform in the future may perform worse than anticipated, particularly during rapidly changing market conditions.

Epidemics, Pandemics and Market Disruption

The Clients' business may be materially affected by conditions in the global financial markets and economic conditions or events throughout the world that are outside of the Firm's control including, but not limited to, economic uncertainty, slowdown in global growth, changes in laws (including laws relating to taxation and regulations on the financial industry), due to disease, pandemics or other severe public health events, including related trade and travel barriers, supply chain delays, volatility in commodity prices, currency exchange rates and controls and other national and international political circumstances. Many countries have experienced widespread outbreaks of infectious illnesses in recent decades, including H1N1/09 influenza (swine flu) and avian influenza. In 2019, an outbreak worldwide of the highly transmissible and pathogenic novel coronavirus (COVID-19) occurred, which the World Health Organization declared to be a pandemic. The outbreak adversely affected general commercial activity and the economies and financial markets of many countries, including through supply chains from affected countries, and such disruption continues to have lasting effects. The COVID-19 pandemic and its aftermath may continue to affect the level and volatility of securities prices, the liquidity and value of investments and operations of the Firm and similar events in the future could have a material adverse effect on the Clients' objectives. Any and/or all of the foregoing events, and as yet unforeseen consequential events, could materially and adversely affect the Firm's ability to source, manage, and divest portfolio investments. Accordingly, outbreaks of infectious diseases in the future could have a negative impact on the performance of a Client's portfolio investments and more generally a Client's ability to implement its investment program.

In particular, the current and future valuation of a Client's existing and potential investments may be or become difficult to assess, and may be subject to a high degree of variability and uncertainty in the near and long term. For example, certain industries, businesses, and enterprises experienced prolonged dramatic, generally adverse, market disruptions as a result of the COVID-19 pandemic while others experienced significantly increased acute demand for their products and services. Other outbreaks of infectious diseases may create uncertainty in the current and future liquidity needs and capital investment requirements of portfolio companies, and the financial markets and distribution channels for such temporal liquidity and longer-term capital investments may become, erratic and unpredictable. In addition, in response to the spread of COVID-19 and any future infectious diseases, many businesses, including the Firm, have encouraged or mandated, and are likely to do so in case of future outbreaks, that their personnel work from home in an effort to help slow the spread of the diseases. Notwithstanding such precautionary measures, the Firm may still experience a significant increase in illness of its personnel. To the extent personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, that business will likely be

more vulnerable to cybersecurity incidents and cyber-attacks and could have more difficulty resuming normal operations in the event it is the target of such incident or attack. See “Cybersecurity Breaches and Identity Theft” above for an additional discussion about cybersecurity risks.

Risks Associated with the Hedge Funds

Futures Trading

We engage in futures trading on behalf of the Hedge Funds, including, but not limited to, futures on commodities, financial indices, currency, and cryptocurrency. A principal risk in trading futures is the traditional volatility and rapid fluctuation in the market prices. The profitability of such futures trading will depend primarily on the prediction of fluctuations in market prices. Price movements for futures are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; weather and climate conditions; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the psychological emotions of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets to move rapidly.

The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain for the investors. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract were then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. Thus, like other leveraged investments, any futures trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied in trading will increase the risk of loss by the amount of additional leverage applied.

Options

The successful use of options depends on the ability of the Firm to forecast interest rate and market movements correctly. In addition, when it purchases an option, a Hedge Fund runs the risk that it will lose its entire investment in the option in a relatively short period of time, unless the Hedge Fund exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the Hedge Fund will lose part or all of its investment in the option. Although the Hedge Funds will take an option position only if we believe there is a liquid secondary market for the option, there is no assurance that the Hedge Funds will be able to affect closing transactions at any particular time or at any acceptable price. In the event of the bankruptcy of a broker through which the Hedge Funds engage in transactions in options, the Hedge Funds could experience delays and/or losses in liquidating open positions purchased or sold through the broker.

Short Selling

Short selling inherently involves certain risks. Selling securities short creates the risk of losing an amount greater than the initial investment in a relatively short period of time and the theoretically unlimited risk of an increase in the market price of the securities sold short.

Short selling can also involve significant borrowing and other costs which can reduce the profit or create losses in particular positions. Short selling of securities that are difficult to borrow may involve additional costs and risks.

Short positions may not necessarily be correlated to long positions in a manner that successfully hedges against loss. Accordingly, losses in the Hedge Funds' long positions may not necessarily be offset by gains in their short positions, and vice versa. It is possible that the Hedge Funds could experience losses on both their long and short positions. Although we intend to apply a variety of measures, including broad diversification and careful monitoring, to limit losses in short positions, there can be no assurance that such losses will not occur or will be limited in amount.

Convertibles

The Clients may invest in fixed income and other securities that may be converted into or exchanged for a specified amount of another security (typically common equity) of the same or different issuer within a particular period of time at a specified price or formula. Convertible securities are exposed to changes in the price of the security into which they are convertible, changes in the creditworthiness of the issuer, changes in interest rates, and changes in overall fixed-income risk premiums.

The Clients may invest in convertible securities with an interest payment component (e.g., convertible bonds), the value of which will change inversely with changes in interest rates. As interest rates rise, the market value of such convertible securities tends to decrease. Conversely, as interest rates fall, the market value of such securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Risks Associated with the PE Funds

Repayment of Certain Distributions

In the event that a PE Fund is unable otherwise to meet its obligations, its investors may be required to repay such PE Fund or to pay to creditors of such PE Fund distributions previously received by them. In addition, investors may be required to pay to a PE Fund amounts that are required to be withheld by such PE Fund for tax purposes.

Risks Associated with Investments in Biotechnology

The ability of the PE Funds to generate returns for investors may depend in part on the success of the biotechnology products (including pharmaceuticals, medical devices, delivery technologies and diagnostics) underlying or related to some investments made by the PE Funds. Potential returns for the PE Funds may be adversely affected by the availability, efficacy, marketing or sales of such products.

Item 9: Disciplinary Information

Neither we nor any of our management personnel are subject to, or have in the past been subject to, any criminal or civil action in any domestic or foreign court; and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

Item 10: Other Financial Industry Activities and Affiliations

Services by the Firm's Related Persons

Tao Li is the primary owner and manager of the General Partners, each of which serves as the general partner of certain Clients.

Management of Multiple Accounts

The management of multiple pooled investment vehicles results in a potential conflict of interest when the Firm and its related persons allocate time and investment opportunities among them. For example, Tao Li and/or other related persons have a greater portion of their personal assets invested in certain Client accounts. In addition, the compensation earned by the Firm and its related persons from each Client is expected to differ from one another. The Firm will generally follow documented procedures in allocating trades among the Clients (see Item 12 below).

A cross-trade occurs when an investment adviser effects a trade between two or more of its advisory clients. If the Firm were to cause a cross-trade between two Clients, it would potentially result in a conflict of interest because the transaction may result in benefits to one Client that may be greater than the benefits to the other Client. The Firm may effect cross-trades between Clients in the following situations, among others: (i) to rebalance investments between the Clients or (ii) for tax or regulatory reasons. All cross-trades between Clients require the prior approval of Teng Yue's Chief Compliance Officer (the "CCO") or his designee. Such transactions will be effected only when the Firm believes that they are in the best interests of, and are fair and equitable to, the participating Clients. Such transactions will generally be effected for cash consideration, generally at the closing price of the particular security or, if no closing price is available, at fair market value (in accordance with the Firm's valuation policy). No brokerage commission, transfer fee or other commission will be paid to the Firm or its affiliates in connection with any such transaction.

Service Providers as Investors

Senior personnel at certain third parties that provide significant service to the General Partners, the Firm and/or the Clients (including providers of market research or similar services) are currently and may, from time to time in the future, become investors in the Clients. As such, the General Partners and/or the Firm, as applicable, are subject to potential conflicts of interest relating to their selection of any such investor service provider on behalf of the Clients. The General Partners and/or the Firm, as applicable, generally manage such conflicts of interest by (i) seeking to select service providers based on the level and quality of the services they provide to the Clients and (ii) making such decisions independent of such investor service providers' senior personnel's decision to invest in a Teng Yue Client.

Services to Proprietary Account

The Firm and its employees have provided, and are expected in the future to provide, limited services to proprietary accounts that are held by Mr. Li, his family or Mr. Li's foundation (collectively, the "Proprietary Accounts"). As noted below, investments made by each Proprietary Account will at all times be subject to the Firm's personal trading policy (see Item 11). Further, any trade-related expenses incurred by any Proprietary Account will be fairly allocated to such account.

The Proprietary Accounts maintain, and may in the future maintain, brokerage accounts with one or more of the brokers used by the Firm's Clients and receive, and may in the future

receive, certain benefits from such brokers that would likely not be available to them in the absence of such brokers' relationship with the Firm. The Firm will not commit to conduct any additional level of business with any broker on behalf of its Clients as a result of the Proprietary Accounts and will continue to periodically assess each broker to confirm that it continues to satisfy its best execution responsibilities to the Firm's Clients (see Item 12 below).

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

Code of Ethics & Personal Trading

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), we have adopted a Code of Ethics, which is designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all of our employees.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of the Clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their positions at Teng Yue.

Among other things, our Code of Ethics governs all personal securities transactions by our employees (as further described below), and sets forth certain policies relating to gifts and entertainment, outside business activities, political contributions and the prevention of insider trading. Employees are provided with a copy of the Code of Ethics and, at least annually, are required to acknowledge that they will comply with its provisions.

Under the Code of Ethics, all employees must pre-clear all personal securities trades with the CCO (or his designee) and Tao Li (subject to certain limited exceptions) and must ensure that the Firm can access brokerage statements (or transaction level automatic reporting via broker feeds containing the same information) for all covered accounts (as defined in the Code of Ethics). The CCO (or his designee) reviews the personal trading information submitted by employees.

From time to time, Tao Li and certain employees buy or sell investments (including, in the case of Tao Li, a limited number of investments in public securities through the Proprietary Accounts) that are also being bought or sold by the Firm's Clients. To mitigate associated potential conflicts, neither Tao Li nor the Firm's employees will receive approval for proposed personal investments that are also being purchased or sold by, or that are held by, the Firm's Clients unless the Firm has determined that its Clients have received their desired allocation of such investments. Further, participating employees will not receive better terms with respect to such investments than Teng Yue's Clients. Investments by Tao Li in public securities through the Propriety Accounts shall at all times be subject to Teng Yue's personal trading policy.

Teng Yue and its employees may not trade for Clients or themselves in securities of a company while in possession of material non-public information or disclose material non-public information to any person not permitted to receive it. By reason of its investment activities, the Firm may have access to material non-public information and therefore may be restricted from entering into transactions on behalf of its Clients. The Firm has adopted policies and procedures reasonably designed to prevent trading on material non-public information.

Our Code of Ethics is available to Clients or prospective Clients upon request.

Principal Transactions

The Firm will not engage in any principal transaction unless it has determined that the transaction is in the relevant Clients' best interests and has obtained Client consent in accordance with its written procedures and applicable law.

Item 12: Brokerage Practices

As an adviser and a fiduciary to our Clients, our Clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the Clients' favor. We have adopted the policies and practices described below, among others, to meet our fiduciary responsibilities and to seek to ensure our trading practices are fair to all Clients and that no Client is advantaged or disadvantaged over any other.

Best Execution

As a fiduciary, we have an obligation, among other things, to seek best execution of Client transactions. Best execution is determined on a trade-by-trade basis, and should result in the best qualitative execution, not necessarily the lowest possible commission cost. When selecting a counterparty, we consider relevant factors that we deem reasonable under the circumstances. Generally speaking, when we seek to make a particular trade on behalf of a Client, we initially determine which brokers have access to the relevant securities. Other decisions regarding the type of transactions at issue (e.g., physical security versus swap) are considered as part of this determination. After we have determined which brokers have access to the relevant securities, we also consider such brokers' prices for such securities (which is an important but not determinative factor for satisfying our best execution obligations), as well as transaction costs (e.g., commission rates) and the margin rates and financing rates of a broker. We also consider a number of qualitative factors when seeking to make a particular trade on behalf of a Client, including, but not limited to, the responsiveness of the broker for prompt and reliable executions, the financial responsibility and integrity of the broker, the financial strength of the broker, services as a prime broker, value of research provided, if any, and competitiveness of the transaction costs. In certain circumstances, however, we will not be able to select a counterparty because only a limited universe of dealers are in a position to offer investments in which we are currently interested. In some cases, the offering dealer is the only executing broker for such transaction and therefore, provides best execution by default.

On a periodic basis, Teng Yue conducts formal best execution review meetings in order to review brokers for best execution.

Trade Allocation

The Firm seeks to allocate investment opportunities in a manner that is consistent with its fiduciary obligations and, accordingly, to allocate investment opportunities fairly and equitably among the Clients when and to the extent applicable, such that no Client will be systematically disadvantaged over time. A number of factors may be considered when multiple Clients are capable of purchasing or selling a particular security or other investment product based on their respective investment objectives, including, without limitation: (i) the amount of available cash or margin, (ii) the impact that any such transaction may have on an existing portfolio's diversification, risk and volatility characteristics, (iii) each Client's overall portfolio

composition, (iv) liquidity, (v) contractual commitments, (vi) each Client's investment or risk guidelines, or (vii) tax, legal or regulatory considerations.

The Firm is not obligated to purchase or sell for each Client every security which the Firm may purchase or sell for other Clients if such a transaction or investment appears unsuitable, impractical or undesirable for a Client; *provided* that the Firm, to the extent within its control, may not favor itself in any way to a Client's detriment and will act in a manner that over the long term is fair and equitable to all of the Clients.

When the amount available for a particular investment exceeds the relevant Clients' intended allocation for the investment, the Firm, in its sole and absolute discretion, may provide certain persons or entities (including, among others, Tao Li, the Firm's employees and certain other persons) with an opportunity to co-invest alongside the relevant Clients in such investment. There is no assurance that the Firm will offer these co-investment opportunities to every investor. No investor should have the expectation that it will have the opportunity to participate in such an investment.

Aggregation of Orders

Aggregation describes a procedure whereby an investment adviser combines the orders of two or more client accounts into a single order. Aggregation opportunities for the Firm would generally arise when more than one Client is capable of purchasing or selling a particular security based on the allocation factors described above.

To the extent that a security is purchased or sold for more than one Client, the Firm will aggregate orders for such security (to the extent possible) unless aggregation is not consistent with the Firm's duty to seek best execution. To the extent an aggregated order is only partially filled, the Firm will allocate the investment opportunity or partially filled order on a fair and equitable basis based on the criteria described above.

Each Client that participates in an aggregated order will participate at the average price for all of the Firm's transactions in that security on a given business day, with transaction costs shared *pro rata* based on each Client's participation in the transaction.

Trade Errors

On occasion, errors may occur with respect to trades executed on behalf of the Clients. Trade errors can result from a variety of situations, including for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong Client, when the wrong amount is purchased or sold or when a misallocation among the Clients occurs. Trade errors may result in losses or may result in gains. We endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. Any losses, except for those due to gross negligence, willful misconduct or bad faith, will be borne by (and any gains will benefit) the relevant Client. To the extent an error is caused by a third party, such as a broker, we will strive to recover any losses associated with such error from such third party.

We generally will reimburse losses suffered by a Client as a result of a trade error caused by the Firm as a result of gross negligence, willful misconduct or bad faith. In addition, we will not correct a trade error made for one Client by causing another Client to buy or sell the securities. We also will not directly or indirectly use soft dollars to correct trade errors.

Soft Dollar Policy

We do not currently utilize soft dollar benefits but may do so in the future. Soft dollar benefits include research and related services furnished by brokers including written information and analyses (including specific market, financial and economic studies and forecasts), statistics and pricing services, discussions with research personnel and similar services used in the investment and trading process in return for an investment manager paying a broker a commission in excess of what another broker might have charged for effecting the same transaction, in recognition of the value of such services or facilities provided by the broker. To the extent we should decide to enter into soft dollar arrangement, we will do so in compliance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

We receive (including during the Firm's last fiscal year) bundled products or services from brokers (including, but not limited to: (i) research, such as proprietary research from brokers, (ii) research products, such as databases and quotation services, and (iii) research services and consultation with industry consultants concerning specific companies, industries or sectors). To our knowledge, such products and services are generally made available to all institutional clients doing business with these brokers.

Item 13: Review of Accounts

Review of Accounts

Tao Li, the Firm's Chief Operating Officer and the Firm's Chief Financial Officer (and their designees) review and reconcile Client portfolios on a daily basis to confirm conformity with investment objectives and guidelines.

We engage in active management and frequent transactions for the Hedge Funds and, accordingly, review our transactions, positions, and cash balances on a daily basis.

We have also engaged the Administrator to prepare unaudited reports reviewing each Hedge Fund's performance for each month and each PE Fund's performance for each quarter.

Reporting

Financial statements are prepared by Teng Yue, audited by an independent auditor and distributed to investors in the Clients on an annual basis. In addition, Teng Yue furnishes investors of the Hedge Funds with unaudited monthly reports showing the value of their capital accounts, periodic reports (generally quarterly) providing fund and market commentary, and certain other reports on the operations of the Hedge Funds as Teng Yue may determine in its sole and absolute discretion. Teng Yue furnishes investors of each PE Fund with unaudited quarterly reports showing the value of their capital accounts and periodic reports providing fund and market commentary.

Item 14: Client Referrals and Other Compensation

Teng Yue does not currently utilize any third-party marketers or solicitors for client referrals.

Item 15: Custody

While it is Teng Yue's practice not to accept or maintain physical possession of any of our Clients' assets (and our Clients' assets are in the custody of one or more prime brokers and/or banks), we are deemed to have custody of their assets under Rule 206(4)-2 of the Advisers Act because we have the authority to access funds and deduct fees and expenses from Clients' accounts.

In order to comply with Rule 206(4)-2, we utilize the services of qualified custodians (as defined under Rule 206(4)-2) to hold all assets of our Clients (to the extent required by such rule). We also confirm that the qualified custodians maintain these assets in accounts bearing the relevant Client's name that contain only assets of such Client.

While Rule 206(4)-2 generally requires an investment adviser to provide for a qualified custodian to send quarterly account statements to all of its Clients that have assets held with the custodian, we are not subject to such requirement because our Clients are subject to an audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. We distribute each Client's audited financial statements to all investors within 120 days of the end of the fiscal year of such Client.

Item 16: Investment Discretion

As previously noted, we have full discretionary authority to manage the Clients, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. These terms are set out in the governing documents for each Client.

Item 17: Voting Client Securities

The Firm has voting discretion over certain securities held by the Clients. When exercising such discretion, the Firm will do so in the best interests of the Clients.

In the absence of specific voting guidelines from a Client or conflicts of interest, the Firm will vote all proxies in the best interests of each Client. In addition, the Firm may determine to abstain from voting a proxy if it believes that such action is in the best interests of a particular Client, if the Firm deems that the issue being voted upon is not material for the Firm and the Clients, or if the Firm determines that the cost of voting exceeds the benefit.

A copy of our proxy voting policies and information about how Teng Yue voted securities is available to investors upon request.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. Teng Yue has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.