



Form ADV Part 2A: Firm Brochure

Keywise Capital Management (HK) Limited

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This brochure provides information about the qualifications and business practices of Keywise Capital Management (HK) Limited ("Keywise HK"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer ("CCO") at +852 2815 7991 or by email at compliance@keywisecapital.com). 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.

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



Item 2: Material Changes

This Brochure has been compiled by Keywise HK to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety. The business activities of Keywise HK remain unchanged materially since the time of the last update in March 2016.



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Item 4: Advisory Business

Keywise Capital Management (HK) Limited (“Keywise HK” or the “Company”) is established in Hong Kong as a limited liability company. Keywise HK is licensed with the Securities and Futures Commission of Hong Kong to conduct asset management regulated activities. Fang Zheng founded Keywise HK in 2006. Mr. Zheng, along with certain Keywise employees, owns Keywise.

The investment activities of Keywise HK are led by Mr. Zheng together with other investment professionals who assist in executing the investment strategy. Keywise HK provides discretionary sub-advisory services to several related pooled investment vehicles, including private investment funds and a private equity fund (collectively the “Funds”). Keywise HK also provides investment advisory services to Separately Managed Accounts (the “SMAs”). The Funds and SMAs will collectively be referred to hereinafter as the clients (the “Clients”). For full disclosure, Keywise HK also manages a private fund that is not offered in the U.S./to U.S. persons. Accordingly, only the products/services offered in the U.S. or to U.S. persons will be discussed in this Brochure.

Keywise Capital Management Limited (“Keywise Capital”) acts as the investment manager (“Manager”) to the Funds. Keywise Capital is established in the Cayman Islands as an exempted company with limited liability, and provides management services to the Funds pursuant to an exemption from licensing requirements under the Securities Investment Business Law of the Cayman Islands. As Manager, Keywise Capital is responsible for directing investment decisions on behalf of the Funds. Keywise Capital has delegated its powers to Keywise HK to be responsible for all decisions regarding portfolio transactions of the Funds and has full discretion over the management of the Fund’s investment activities. Keywise HK will be guided by the investment program established for the Funds by Keywise Capital. Each Fund has a board of directors (the “Directors”) that are responsible for the overall management and control of the Funds. The Funds are domiciled in the Cayman Islands and organized as stand-alone funds or in master-feeder structures.

The Funds are organized to invest in a variety of companies that have a substantial portion of their assets in the Greater China market or that derive a large portion of their revenues or earnings from activities connected to the Greater China Market. Keywise HK provides investment advice directly to the Funds and not to the shareholders (the “Shareholders”) of the Funds (referred to hereinafter as the “Investors”). Keywise HK manages the assets of the Funds in accordance with the terms of each Fund’s confidential offering and/or private placement memoranda and other governing documents applicable to each Fund (the “Governing Fund Documents”). All terms are generally established at the time of the formation of a Fund, and are typically only terminable once the applicable Fund is dissolved. The Investors may not restrict investments by the Funds in any capacity.

Shares in the Funds (collectively referred to hereinafter as the “Fund Interests”) are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, Fund Interests are offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.



Separately Managed Accounts

The SMAs are managed in substantially similar investment strategies that are offered to the Funds. However, certain SMAs may impose investment restrictions or limitations upon investing in certain securities or types of securities in the accounts which may alter their investment objectives when compared to the investment objectives of the Funds. (Further information regarding investment discretion and imposing investment restrictions is disclosed in Item 16 below.) As such, the SMAs and the Funds will not always be managed on a pari-passu basis.

As of December 31, 2016, Keywise HK managed approximately USD \$1.72 billion of regulatory assets under management as per SEC definition of RAUM on a discretionary basis and USD \$150 million on a non-discretionary basis.

Item 5: Fees and Compensation

Management Fees for the Funds

The Funds pay the Manager annual management fees at rates ranging from 1.5% to 2% per annum. Pursuant to agreements between the Manager and Keywise HK, Keywise HK will receive remuneration for the services provided to the Funds calculated in accordance with the terms of the agreements.

Keywise Capital may establish classes of interests in the Funds. The management fees will differ for each class of interests in which an Investor is invested. Payment of the management fees is discussed in the respective Governing Fund Documents. Generally, certain Funds pay management fees monthly in arrears and other Funds will pay the management fees quarterly in advance.

Performance Fees for the Funds

Payment of the performance fees is discussed in the respective Governing Fund Documents. In general, the Manager will be entitled to receive from the Funds an annual performance fee equal to 20 percent of net profit subject to a high water mark or positive difference between NAV and the respective benchmark.

Operating Expenses for the Funds

The Funds will bear all on-going costs (including legal, accounting and other professional fees and expenses). The Funds will bear certain operating expenses, including stamp duties, taxes, commissions, government and fiscal charges, foreign exchange costs, annual fees, brokerages, bank charges, registration and collection fees, insurance and security costs, expenses connected with the issue and redemption of participating shares, fees and expenses of the Manager and Keywise HK, auditors, administrator and legal advisers and certain other expenses incurred in the administration of the Funds and in the acquisition, holding and disposal of investments.

The Funds will bear the costs of preparing, printing and distributing valuations, statements, Governing Fund Documents, accounts and reports together with any other costs associated with providing information about the Funds and its investments to Investors.



Keywise HK will render its services to the Funds at its own expense, including in respect of all overhead expenses of an ordinary and recurring nature such as office rent, furniture and fixtures, salaries, entertainment expenses and employee insurance.

Management and Incentive Fees for Separately Managed Accounts

Management and incentive fees will be separately negotiated with SMAs and subject to the agreement between Keywise HK and the SMAs.

Item 6: Performance Based Fees and Side by Side Management

As disclosed above in the *Fees and Compensation* section above, the Funds pay performance fees based on generated profits. The performance fees are determined on the basis of increases in the net asset value, including value attributable to unrealized appreciation. The performance fees may create an incentive on the part of Keywise HK to make riskier or more speculative investments to generate profits than would be the case if Keywise HK or an affiliate is not receiving performance-based fee.

To prevent any conflict from influencing the allocation of investment opportunities among Client accounts due to different fee structures, Keywise HK has implemented internal controls that are designed to ensure that all Clients are treated fairly and equally. Except for the cases where there are investment restrictions or different investment strategies, equities are allocated to Clients at average price on pro-rata basis according to their AUM.

Item 7: Types of Clients

Keywise HK provides discretionary management and advisory services to the Funds directly, subject to the direction and control of the Directors of each Fund, and not individually to the Investors. Keywise HK also provides advisory services to institutional accounts including pension funds and sovereign wealth funds.

The minimum commitment for an Investor in the Funds is outlined in the respective Governing Fund Documents; however the Manager maintains discretion to accept less than the minimum investment threshold. Investors will be required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act.

Keywise HK also provides investment advisory services to SMAs subject to the terms and conditions enumerated in the respective advisory agreement between each SMA and Keywise HK. The minimum account size for a SMA is negotiable with the Client on a case by case basis depending on a number of factors including complexity of the mandate, the extent and frequency of reporting requirements and operations setup.



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

The Funds' investment strategies are disclosed in the respective Governing Fund Documents. Some of the Funds employ a long/short equity strategy, while other Funds follow a long only strategy.

The investment strategies of the Funds is to focus on securities of issuers that have a substantial portion of their assets in China or that derive a large portion of their revenues or earning from activity connected to the Greater China Market. Keywise HK conducts fundamental research on its securities recommendations and concentrates on making investments in companies which are trading at an estimated discount relative to their net profits and book value and which offer high current or prospective dividend yields. The strategy will involve investing in situations Keywise HK believes are under-valued, particularly where Keywise HK believes sound companies are trading at low valuations because of macro-economic distress.

Securities investments risk the loss of capital, there can be no assurance that the Funds/SMAs will not incur losses.

Associated Risks

The descriptions contained below are a brief overview of different market risks related to Keywise HK's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the Funds. For further information, see the Governing Fund Documents.

Investments in the Funds are suitable only for persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investments and who meet the conditions set forth in the respective Governing Fund Documents. There can be no assurance that the Funds will achieve their investment objectives. Investment in the Funds involves significant risks and while the following summary of certain of these risks must be carefully evaluated before making an investment in the Funds, the following does not intend to describe all possible risks of such an investment.

Hedging Transactions

Although some of the Funds may utilize financial instruments, such as forward contracts, options, futures and swaps for hedging purposes or as part of its trading strategies Keywise HK does not intend, and empirically may lack the instruments, to fully hedge its portfolio holdings. Such imperfect hedging means the Fund are not rid of the risk of loss.

Derivatives

Some of the Funds may use derivative financial instruments for hedging and for other trading purposes. The use of the derivative instruments that may be traded by the Funds involves a variety of material risks.



Use of Leverage

The Funds may utilize leverage. The extent to which leverage is utilized by the Funds may depend on the availability of credit. There can be no assurance that the Funds will be able to maintain adequate financing arrangements under all market circumstances. Leverage strategies increase the risk of loss.

Settlement and Liquidity Risks

In certain countries in the Greater China Market in which the Funds will invest, there may be limited organized public trading markets for securities with little liquidity or transparency, resulting in relatively slow and cumbersome execution of transactions. In particular, there may be no approved settlement procedure and trades may be settled by a free delivery of stock with payment of cash in an uncollateralized manner. This may give rise to a credit risk in relation to the counterparty. In general there may be an increased risk of defaults and delays in settlement compared to the markets in more developed economies. As a result, the Funds may experience difficulty in realizing all entitlements attaching to the securities acquired.

No established secondary markets may exist for many of the securities in which the Funds invest. Reduced secondary market liquidity may have an adverse effect on market price and the Funds' ability to dispose of particular instruments when necessary to meet its liquidity requirements or in response to specific economic events such as deterioration in the creditworthiness of the issuer. Reduced secondary market liquidity for certain securities may also make it more difficult for the Funds to obtain accurate market quotations for purposes of valuing its portfolio and calculating its net asset value. Market quotations are generally available on many securities in which the Funds invest only from a limited number of dealers and may not necessarily represent firm bids of those dealers or prices for actual sales.

Economic and Political Risks

The Funds' assets may be invested in countries where the market economy is relatively less developed. Although the recent general trend in such countries has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organized crime or other factors beyond Keywise's control could have a material adverse effect on the performance of the Funds.

Dependence on Key Personnel

The Funds' investment activities depend upon the experience and expertise of the directors of the Manager and the Sub-Manager. The loss of the services of any of the directors of the Manager and the Sub-Manager and in particular, Mr. Zheng, could have a material adverse effect on the Funds' operations.

Illiquidity of Shares

Shares are not transferable without the approval of the Directors and Keywise and there will be no secondary market for Shares. Consequently, Shareholders may not be able to dispose of their Shares except by means of the redemption privilege and may receive securities rather than cash in



exchange for their Shares. Redemptions may be subject to certain fees and to an overall percentage limit the net asset value of the respective Fund at any one time.

Securities Market Regulation

The securities markets in certain countries in the Greater China Market in which the Funds will invest may be in the early stages of development and government supervision and regulation of these securities markets may be significantly less well developed than in many free market economies. As a result, the risks of fraudulent market practices are higher than those in more highly regulated markets. No assurance can be given that regulations addressing such risks will be adopted or, if adopted, will be effectively implemented or enforced.

Difficult Market for Investment Opportunities

The activity of identifying, completing and realizing on attractive investments involves a high degree of uncertainty. There can be no assurance that the Funds will be able to locate and complete investments which satisfy the Funds' rate of return objectives or realize upon their values or that the Funds will be able to invest fully its subscribed capital in a manner consistent with its investment strategy.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's or Investor's evaluation of the adviser or the integrity of the adviser's management. Neither Keywise HK nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Keywise Capital, Keywise HK, and Keywise Beijing are affiliated entities that are under common control. The Funds are organized, sponsored, and managed by Keywise Capital which has delegated some of its powers to Keywise HK. Accordingly, Keywise HK provides advisory, investment management and client services to the Funds under a sub-management agreement with Keywise Capital. Keywise Beijing provides research services to Keywise Capital and Keywise HK on investments primarily focused on Greater China subject to a service agreement. Compensation for these services is paid solely by Keywise Capital and Keywise HK and not by the Funds.

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

Keywise HK has adopted a written code of ethics and personal trading policies that is applicable to all employees. Among other things, the code requires Keywise HK and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. Keywise HK's restrictions on personal securities trading apply to all employees. A copy of Keywise HK's code



of ethics is available upon request by contacting us at +852 2815 7991 or via email (compliance@keywisecapital.com).

Keywise HK's employees are generally prohibited from engaging in personal trading, except for certain exempt securities and approved investment vehicles. The Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions. Any transactions in securities that are being considered for client accounts, as well as securities already held in client accounts requires preclearance from the Chief

Compliance Officer. The Chief Compliance Officer does not grant preclearance where it would appear that an employee's trading could disadvantage Keywise HK's Clients.

Item 12: Brokerage Practices

Soft Dollar Benefits

Keywise HK receives certain products and services from brokers free of charge or at discounted rates. These products and services are expenses related to research, execution and related services furnished or paid for by brokers falling within the "safe harbor" under Section 28(e) of the Securities and Exchange Act of 1934, as amended, are paid through soft dollars. Keywise HK uses commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Keywise HK will exercise discretion to determine in good faith whether a broker will provide best execution and the amount of commission was reasonable in relation to the value of the services received. Commissions paid under soft dollar arrangement may be higher than they would be for an execution only trading. Keywise HK receives research and brokerage services that may include, but are not limited to, proprietary or third-party research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); and advice from brokers on order execution; and certain proxy services.

Certain brokerage and research products and services utilized by Keywise HK may be categorized as mixed-use items that are partially paid for with soft dollars. Pursuant to the guidance set forth in the July 18, 2006 SEC Interpretive Release regarding permissible client commission practices, Keywise partially pays for mixed-use items with soft dollars after reasonably allocating between eligible and ineligible uses and making a good faith determination that the commissions being paid are reasonable in light of each of the brokerage and research services that are provided. Keywise shall maintain adequate documentation regarding the mixed-use allocations.

Keywise HK may participate in commission sharing arrangements which facilitate the delivery of research from third-party broker dealers. The arrangement provides a way for Keywise HK to purchase third party research using soft dollars generated from trades with an executing broker-dealer. Keywise HK shall make a good faith determination that the commissions paid to any third-party broker-dealers participating in the commission sharing arrangements are reasonable in relation to the value of the research provided by such broker-dealers.



When Keywise HK uses the Clients' brokerage commissions (or markups or markdowns) to obtain research or other products or services, Keywise HK receives a benefit because it does not have to produce or pay for the research, products or services. Keywise HK's receipt of these products and services creates a conflict of interest in connection with Keywise HK's recommendation of the brokers who are providing the products and services. Keywise HK may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than in Clients' interests in receiving most favorable execution. Brokerage and research products and services obtained with soft dollars may be of value to Keywise HK in advising all Clients.

Best Execution Reviews

Keywise HK has a duty to seek "best execution" for Clients' securities transactions. Keywise HK generally has discretionary authority with respect to the selection of brokers for trade executions. While seeking best execution, Keywise HK allocates transactions to brokers with respect to the Client's trading activities based on a number of other factors. Such factors may include, but are not limited to the following:

- financial standing and stability of the broker;
- the actual executed price of the trades and broker's commission rates;
- research (including fundamental research and technical advice on individual securities, market analysis, access to investment opportunities, capital introductions and services that will enhance Keywise HK's portfolio management capabilities);
- the execution quality (including timing of trades and reporting and price);
- the operational facilities of the brokers involved (including back office efficiency);
- the size and type of transaction; and
- the broker's ability to provide confidentiality.

In selecting a broker for trade execution and determining the reasonableness of the broker's compensation, Keywise HK considers all the services provided by the brokers that are of benefit to the Clients. As a result, selected brokers may charge higher commission rates than those charged by other brokers who do not offer such services or by the same broker if it only provides execution services. Due to these circumstances, Keywise HK may not solicit competitive bids and may not seek the lowest available commission cost.

On a quarterly basis, Keywise HK evaluates the services offered by its trading counterparties. At the end of the review, Keywise HK provides feedback to the brokers on their performance in order to maintain and improve the quality of the services they provide.

Aggregated Trades

Keywise HK typically aggregates client trades in an effort to treat all clients fairly. Clients participating in an aggregated order receive the same average price and average trading costs in order to avoid a conflict of interest. If an order is partially filled, client portfolios will be allocated in the proportion of the original intended order amounts. Allocations, however, in strict proportion may not be appropriate and could potentially lead to a case where individual transactions are too small for any given portfolio. In such circumstances, Keywise HK may decide on the manner in which partially filled orders are to be allocated, taking into account the interests of all the clients concerned.



Cross Trades

Keywise HK may engage in cross transactions in which a security is crossed between Client accounts. Keywise HK will only engage in the cross transaction if the transactions are deemed advantages for each participant. In these instances, Keywise HK shall use an unaffiliated broker-dealer or custodian to cross investments between Client accounts. Cross transactions will be effected by Keywise HK only to the extent permitted by applicable law. The cross transaction will be reported to the stock exchanges and crossed at prices available in the market at such applicable time.

Directed Brokerage

On occasion, Clients may direct Keywise HK to use a particular broker-dealer to execute some or all transactions for the Client's account. In such event, the Client is responsible for negotiating terms and arrangements for the account with that broker-dealer, and Keywise HK will not seek better execution services or prices from other broker-dealers or may not be able to aggregate the Client's transactions for execution through other broker-dealers with orders for other accounts managed by Keywise HK. As a result, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Item 13: Review of Accounts

Keywise HK's portfolio managers and analysts monitor all investments on a continuous basis to ensure investments are made in accordance with the terms of the Governing Fund Documents and investment mandates of the SMAs.

Keywise HK's investment personnel meet regularly to discuss investment ideas, economic developments, current events, investment strategies, and other issues related to current portfolio holdings and potential investment opportunities.

Keywise HK provides each Investor in select Funds with monthly newsletters that includes the Funds' performance and commentaries. Audited annual financial statements are sent to each Investor within 120 days after the Fund's fiscal year end. Reporting for the SMAs are subject to the agreement between Keywise HK and the SMAs.

Item 14: Client Referrals and Other Compensation

Keywise HK may periodically engage third party marketing firms (i.e., placement agents or solicitors) to introduce prospective Investors and/or SMAs. Keywise HK will comply with Rule 206(4)-3 (the "Cash Solicitation Rule") under the Investment Advisers Act of 1940 ("Advisers Act") when using solicitors to obtain SMAs. Keywise HK is responsible for paying the fees and expenses incurred with the engagement of the marketing firms.

Item 15: Custody

Due to Keywise HK's (or an affiliate's) access to the Funds' assets and securities as general



partner or investment manager, Keywise HK is deemed to have constructive custody of the Funds within the meaning of Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended. All Fund assets are held in custody by unaffiliated broker/dealers, financial institutions or other qualified custodians (as defined in Rule 206(4)-2). Keywise HK shall comply with the periodic reporting requirements of the custody rule by delivering financial statements prepared in accordance with generally accepted accounting principles (GAAP) and audited by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Financial statements shall be delivered to investors within 120 days of the Fund's fiscal year end. Investors should carefully review these statements, and should compare these statements to any account information provided by Keywise HK.

All assets of the SMAs are held by the SMA's designated qualified custodian. Keywise HK was granted trading authority but it does not have authority over the assets nor does it have the ability to directly debit its management fees from these accounts.

Item 16: Investment Discretion

Keywise HK generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Investors, the securities and the amounts to be bought or sold on behalf of the Funds. Any limitations on authority are included in the Governing Fund Documents.

In addition, Keywise HK may also execute advisory contracts with SMAs on a discretionary basis. SMA clients can place investment restrictions or guidelines on Keywise HK's investment decisions.

Item 17: Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Keywise HK has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Keywise HK receives will be treated in accordance with these policies and procedures.

Proxies are assets of Keywise HK's Clients that must be voted with diligence, care, and loyalty. Keywise HK votes each proxy in accordance with its fiduciary duty to its Clients. Keywise HK seeks to vote proxies in a way that maximizes the value of Clients' assets. Each proxy vote is ultimately cast on a case-by-case basis, as Keywise HK considers the contractual obligations under the Client's advisory agreement, and all other relevant facts and circumstances at the time of the vote.



Keywise HK will document and abide by any specific proxy voting instructions conveyed by a Client with respect to that Client's securities.

The CIO with the assistance of the CCO shall be responsible to identify any material conflicts of interest and resolve the conflicts in the best interest of the Client.

A copy of Keywise HK's proxy voting policies and procedures, as well as specific information about how Keywise HK has voted in the past, is available upon written request at compliance@keywisecapital.com.

Item 18: Financial Information

A balance sheet is not required to be provided as Keywise HK (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.