

**Cathay Brochure
(Part 2A of Form ADV)**

CATHAY CAPITAL NA, LLC

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July 22, 2015

This brochure provides information about the qualifications and business practices of Cathay Capital NA, LLC ("Cathay Capital"). If you have any additional questions about the contents of this brochure, please contact us at 212-858-9020. 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.

Cathay Capital is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors and Knowledgeable Employees by means of a private placement memorandum and related subscription materials.

Additional information about Cathay Capital is available on the SEC's website at <http://www.adviserinfo.sec.gov>. The SEC's web site also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment adviser representatives of Cathay Capital.

Item 2. Material Changes

This brochure dated July 22, 2015 has been prepared according to the requirements and rules promulgated by the SEC.

Since Cathay Capital is a newly registered investment adviser and is preparing its initial Disclosure Brochure, no material changes have taken place since the date of the last Brochure Supplement.

From time to time, Cathay Capital may amend this Disclosure Brochure to reflect changes in its business practices, changes in regulations and routine annual updates as required under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) or the rules adopted thereunder by the SEC. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each client annually and if a material change occurs in the business practices of Cathay Capital.

The Disclosure Brochure may be requested by contacting Cathay Capital at 212-858-9020 or emailing your request to David.Hoffman@Cathay.Fr. This is the initial Form ADV filing by Cathay Capital.

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Item 4. Advisory Business

Cathay Capital is a federally registered investment adviser that will provide investment management and fund administrative services to clients, as further described below. Cathay Capital is a Delaware limited liability company that has been in business since 2015.

Cathay Capital is wholly-owned by Cathay Capital Private Equity LLC. In turn, Cathay Capital Private Equity LLC is wholly-owned by Cathay Capital Europe S.a.r.l. Mr. Mingpo Cai owns 80% of Cathay Capital Europe S.a.r.l.

Cathay Capital intends to provide investment advisory services to one or more pooled investment vehicles ("Cathay Funds") that are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act"). As the investment adviser of each Cathay Fund, Cathay Capital, along with the general partners of the Cathay Funds (each, a "General Partner"), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of, each Cathay Fund.

Cathay Capital will attempt to create value in the companies in which the Cathay Funds invest by seeking to: (i) build out distribution of Western products and services into China, (ii) bring Western technology, product branding, distribution techniques, management disciplines/best practices and governance to entrepreneurial Chinese companies; (iii) identify and helping execute cross-border acquisitions and divestitures and (iv) assist Chinese companies in forming partnerships and joint ventures with Western companies.

Cathay Capital's investments will take the form of equity and equity-related interests and, on a select basis, debt securities in small to middle-market companies having their principal place of business or activities mainly in North America and/or China (the "Target Markets") that Cathay Capital believes may have a high potential for growth, strong value creation potential and a capacity for development on an international basis. These investments may also, to a lesser extent, invest in companies having their principal place of business or activities outside of the Target Markets with a view to accompany the business development of such companies in the Target Markets (or invest in companies having their principal place of business or activities within the Target Markets with a view to accompany their business development outside of the Target Markets).

Cathay Capital intends to provide investment advisory services to each of the Cathay Funds pursuant to separate investment and advisory agreements (each, an "Advisory Agreement"). Investment advice will be provided directly to each Cathay Fund, subject to the direction and control of the General Partner and not individually to the investors in the Cathay Funds.

Any restrictions on investments in certain types of securities, will be established by the General Partner of the applicable Cathay Fund, and will be set forth in the documentation

received by each limited partner prior to investment in the relevant Cathay Fund. Once invested in a Cathay Fund, investors cannot impose restrictions on the types of securities in the Cathay Fund may invest.

Cathy Capital is a newly registered adviser. As of June 30, 2015, Cathay Capital had \$0 in discretionary assets under management.

Item 5. Fees and Compensation

As compensation for investment advisory services provided to the Cathay Funds, Cathay Capital will bill the Funds and receive an annual investment management fee payable quarterly in advance. Management fees paid by the Cathay Funds will be indirectly borne by the investors in such Fund.

The precise amount, and the manner and calculation of, the management fee for each Cathay Fund will be established by Cathay Capital and set forth in the applicable Advisory Agreement, limited partnership agreement (or analogous organizational document) and/or other documentation received by each investor prior to investing in a Cathay Fund. Fees may differ from one Cathay Fund to another.

Upon the termination of an Advisory Agreement, appropriate treatment, including, where applicable, returning prepaid management fees on a prorated basis, will be given to all management fees collected in advance.

Cathay Capital may waive all or a portion of a future installment of the management fee. Any waived amount may (a) reduce, on a dollar-for-dollar basis, the amount of capital contributions that the General Partner would otherwise be required to make in respect of its commitment and the limited partners will be required to make additional capital contributions to satisfy such shortfall, pro rata, in accordance with their respective commitments, up to the amount of the waived amount or (b) increase the allocation of profits to the General Partner. Cathay Capital (or an affiliate thereof) will be entitled to any distributions otherwise distributable to the limited partners in respect of the waived amount, but solely out of profits from investments.

Cathay Capital or its affiliates may occasionally earn break-up fees, transaction fees, deal monitoring fees, consulting fees, managing fees, directors' fees or other similar fees in connection with investments by any of the Cathay Funds. To the extent provided in the organizational and offering documents of the relevant Cathay Fund, such fees may be applied by the General Partner to offset, pay or reserve for the payment of expenses (or to repay any credit facility drawdowns used to pay the same) or, if paid to the General Partner or its affiliates, to offset the management fee payable by the Cathay Funds, with any balance distributed in accordance with the distribution procedures; provided, that any fees or carried interest distributions received by the General Partner or its affiliates in connection with a co-investment opportunity shall be for the account of the General Partner or such affiliate and shall not reduce the management fee. If an alternative investment vehicle,

successor fund or other person or entity co-invests in any of the Cathay Funds' investments, or would have co-invested in an unconsummated investment, then the Cathay Fund shall only be entitled to the portion of such fees from the co-investment equal to the Fund's share of the proportionate amount that the Fund has or would have invested therein.

Cathay Capital may bear all of the legal and other organizational expenses incurred in forming the Cathay Funds, the General Partner(s) and related investment advisory entities and obtaining commitments from the investors ("Organizational Expenses"). Cathay Capital's management fee will be reduced by (a) all amounts paid by the Cathay Fund to any placement agent or financial advisor relating to the raising of capital from the investment vehicle's limited partners and (b) Organizational Expenses paid by the investment vehicle in excess of \$1.5 million.

To the extent provided in the Advisory Agreements and the partnership agreements (or other organizational documents), Cathay Capital will be responsible for costs and expenses relating to its own operations, including rent, salary, furniture and fixtures and all other office equipment. Each Cathay Fund will bear other expenses relating to it, to the extent not borne by the underling companies in which it invests. Generally, each Cathay Fund will bear all costs and expenses relating to the Fund's operations, including, but not limited to: (a) legal, auditing, consulting, banking, third party administration and accounting fees and expenses (including costs of reports to the investors, financial statements, K-1s, data services, and financial modeling software and services); (b) printing and translation costs; (c) expenses of the Advisory Committee [See Item 11 below for more information] and meetings of investors; (d) all expenses associated with the consideration, acquisition, holding and disposition of its proposed or actual investments (including proposed or actual warehoused investments), including, without limitation, hedging activities and temporary investments, appraisal and valuation expenses, finders' fees, listing fees, underwriting/syndication fees, any and all costs associated with alternative investment vehicles and any holding vehicles, indemnification and other unreimbursed expenses; (e) insurance covering directors and employees of Cathay Capital or third parties appointed as manager, director, member or equivalent positions of portfolio companies and all extraordinary expenses (such as litigation); (f) interest on and fees and expenses arising out of all permitted borrowings made by the Fund; (g) all third party expenses relating to unconsummated transactions including break-up fees; (h) all expenses of liquidating the investment vehicle; and (i) any registration expenses or taxes, fees or other governmental charges levied against the investment vehicle and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund. There may be other fees and expenses as well depending upon the particular investments of the Cathay Funds. Prospective investors should review in the private placement memorandum, the Advisory Agreement, limited partnership agreement (or analogous organization document) and/or other documentation carefully before investing.

The appropriate allocation between a Cathay Fund and any co-investment vehicles of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees

and the fees of other professionals, will be determined by Cathay Capital and its affiliates in their good faith discretion, consistent with the limited partnership agreement (or analogous organizational documents) of the Cathay Fund, as applicable.

Additionally, see Item 6 below regarding “carried interest” that the Cathay Funds may pay.

Although Cathay Capital does not intend to generally utilize the services of broker-dealers for transaction related services, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular pooled investment vehicle, the vehicle will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

A portion of each Cathay Fund’s net investment profit may be allocated to the capital account of its General Partners as “carried interest.” It is anticipated that each General Partner of a Cathay Fund will be a related person of Cathay Capital. Carried interest may differ from one Cathay Fund to another.

The fact that the carried interest is based on a percentage of net profits may create an incentive for the General Partner (and Cathay Capital) to cause an investment vehicle to make riskier or more speculative investments than otherwise would be the case. Further, the payment of carried interest at varying rates may create an incentive for Cathay Capital to disproportionately allocate time, services or functions to those Cathay Funds that are paying carried interest at a higher rate, or allocate investment opportunities to such vehicles.

However, Cathay Capital’s investment team’s investment in a Cathay Fund, as well as the team’s interest in the carried interest, may align, to some extent, the interest of the team with the interest of the investors, although the team may have economic interests in other investment funds and investments and may receive management fees and carried interests relating to these interests.

To the extent provided in the partnership agreements (or other organizational documents), the General Partner may, but shall not be obligated to, offer available co-investment opportunities with a Cathay Fund to certain limited partnerships or other persons (including investment vehicles and accounts managed by the Cathay Capital or its affiliates) on such terms and conditions as shall be determined by the General Partner. If an investment vehicle co-invests with any affiliate of the General Partner, it shall do so on a *pari passu* basis unless co-investment on other terms is approved in a manner contemplated by that Cathay Fund’s partnership agreement (or other organizational document). If a Cathay Fund co-invests with any party that is not an affiliate of the General Partner, it may do so on such terms as the General Partner deems appropriate, which may

include payment of fees or carried interest to a third party and/or payment of fees or carried interest by a third party to the General Partner or its affiliate. Any such fees or carried interest paid to the General Partner or its affiliate shall be for the account of the General Partner and/or such affiliate, as applicable, and shall not reduce the fees and carried interest payable to the General Partner and its affiliates. The General Partner will not be required to offer any investor the opportunity to co-invest with a Cathay Fund.

Cathay Funds may have substantially similar investment objectives with slightly different investment strategies. Cathay Capital will work with prospective portfolio companies to determine which Cathay Funds would provide the most appropriate source of capital. Currently, the primary standard for suitability will be the determination of the region, either North America or Western Europe, for which the prospective portfolio company is believed to likely derive the greatest opportunity for growth or strategic partnership. For example, a U.S.-based Cathay Fund may focus on prospective portfolio companies that are believed to have the greatest opportunity for growth in North America.

From time-to-time, opportunities may arise for which investments by more than one Cathay Fund may be appropriate. For example, this may arise where a prospective portfolio company has a cross-border strategy that would focus on both Europe and North America, and, therefore, this company would be appropriate for both a U.S.-based Cathay Fund and a European-based Cathay Fund. In the event an investment opportunity falls within the investment policy of more than one Fund, the Funds will generally co-invest pro rata to their respective investment capacity (i.e. their respective commitments available for investments).

A Fund may also co-invest alongside (i) any affiliated enterprises and/or (ii) any affiliated fund which have a similar investment strategy (at least partly). In that case, each co-investment will be made according to equivalent terms and conditions (in particular legal and financial) and concomitantly, for both the initial investment and the sale (presumably a joint transaction) while taking into account the particular situations of the relevant affiliated funds and/or affiliated enterprises and of the Fund. An Investors Committee will be informed of any co-investment of the Fund alongside affiliated funds and/or affiliated enterprises. The co-investors will share the costs related to the investments, in proportion to the amounts invested by each. In the event the Fund is made of several vehicles, such vehicles will co-invest pro rata to their respective commitment, it being specified that in such case, the prior approval of the investors' committees of the relevant vehicles will not be necessary. The Funds will not co-invest alongside any affiliated fund having a substantially different investment strategy than those of the Fund.

Item 7. Types of Clients

Cathay Capital intends to provide investment advisory services directly to the Cathay Funds, subject to the direction and control of the General Partner of such Funds and not individually to the limited partners of such Funds.

It is expected that each Cathay Fund will not be required to register as an investment company pursuant to the 1940 Act in reliance on Section 3(c)(7), in which case each prospective U.S. investor must be either a "qualified purchaser" within the meaning of Section 2(a)(51) of the 1940 Act or a "knowledgeable employee" of the Fund as defined in Rule 3c-5(a)(4) of the Investment Company Act, or, if the exclusion under Section 3(c)(7) is not available, another exclusion or exemption under the 1940 Act.

It is expected that the investors that meet the applicable legal eligibility requirements may include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other business entities.

Minimum investment commitments may be established for investors in the Cathay Funds, which will be set forth in the relevant offering documents. The General Partner of each Cathay Fund, in its sole discretion, may permit investments that are less than the minimum investment commitment set forth in the applicable Cathay Fund offering documents.

Item 8. Method of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

Cathay Capital intends to partner with management teams to invest in growing companies in North America and China that it believes can benefit from international expansion and/or a more sophisticated distribution approach. Cathay Capital will often attempt to accelerate its investment portfolio companies' access to Chinese markets for Western companies via its networks, ecosystem, operating capabilities, local presence in China and deep knowledge of Chinese legal, regulatory and governance frameworks. Additionally, Cathay Capital will, as deemed appropriate, introducing sophisticated product branding, distribution techniques, new technologies and Western best practices and transparency to Chinese companies to help these entities seek to generate sustainable growth with a goal of achieving higher valuations upon exit. Cathay Capital will typically seek to invest on a noncompetitive basis by proposing growth plans to companies that are not necessarily seeking investments or acquisitions.

Prior to making an investment, Cathay Capital will typically seek to establish a relationship of trust with company management teams, many of which may be first generation entrepreneurs. Cathay Capital will generally initiate such relationships through value added proposals to company management teams, whose trust it considers essential to a business plan's successful implementation.

In addition, Cathay Capital intends to leverage the expertise of investment and industry leaders and executives to assist the investment team in seeking non-competitive

investment opportunities, make introductions to potential strategic partners, evaluate new opportunities and provide value added direction and assistance.

Cathay Capital will seek to identify lower middle market companies with leading brands, leadership in their sectors, or both. Cathay Capital will look to work closely with management teams to evaluate and execute new market entries, introduce Western portfolio companies to decision makers at major Chinese companies and assist Chinese companies in securing new contracts with Western counterparts. Cathay Capital seeks to strengthen its portfolio company brands by focusing on quality and service perceptions on a local basis, often increasing marketing budgets. Cathay Capital's access to business partners and knowledge of regulations and corporate cultures in multiple jurisdictions may help accelerate the process of efficiently integrating its portfolio companies into local markets.

Cathay Capital will tailor its investment to the specifics of each opportunity, which will likely result in a variety of deal structures:

- Capital increases through the issuance of new equity (common or preferred stock) or quasi-equity (straight or convertible debt);
- Buyouts, including acting in concert with management by facilitating management buyouts or buy ins;
- Minority and majority transactions periodically with other financial sponsors or public companies where Cathay Capital would play the role of local partner in either North America or China;
- Partial exits by owner-managers or shareholder restructurings (e.g., exits of minority shareholders); and,
- Take privates and negotiated capital increases with public companies.

Risks

The purchase of limited partnership interests in Cathay Funds involves significant risks relating to investments in limited partnerships generally, and to the structure and investment objectives of the Funds in particular. The following are the risks related to Cathay Capital's investment activities. The risks associated with a particular Cathay Fund are detailed in the Fund's offering documents.

Reliance on Management of the Investment Adviser

Decisions with respect to the management of each Cathay Fund may be made by the General Partner of each Cathay Fund with the advice of Cathay Capital. The success of a Cathay Fund will depend on the ability of its General Partner and Cathay Capital to identify and consummate investments, to improve the operating performance of the investments, and dispose of investments at a profit. The loss of the services of one or more members of the professional staff of Cathay Capital or the General Partner could have an adverse impact on the Cathay Fund's ability to realize its investment objective. In addition, it is expected that all of the officers and employees responsible for managing a particular Cathay Fund will continue to have responsibilities with respect to other investment vehicles and accounts managed by affiliates of Cathay Capital. Thus such persons will have demands

made on their time for the investment, monitoring, exit strategy and other functions of other funds and accounts.

Illiquidity of Investments

The majority of the investments made by the Cathay Funds are expected to be in unlisted companies that may be difficult to transfer. Cathay Capital may not be able to sell such securities publicly without the expense, time and other burdens required to register the securities under applicable laws. In addition, practical limitations may inhibit the Cathay Fund's ability to liquidate its investments in unlisted companies when it owns a relatively large percentage of the company's equity securities. Sales of such securities may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. Moreover, a Cathay Fund may enter into shareholder agreements with respect to a portfolio company which may make the disposal of an investment more difficult. In addition, a Cathay Fund may be represented on the board of one or more portfolio companies, or may be deemed to be represented by its ability to nominate observers to such boards. As a result of regulations designed to prevent market abuse, the ability to sell interests in such portfolio companies when and upon the terms that it may otherwise desire may be impaired. The limitations on liquidity of such investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized. Upon liquidation, these investments may even be distributed in kind and investors may then hold minority interests in one or more unlisted companies.

Little or No Near-Term Cash Flow

Although a Cathay Fund's investments may occasionally generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. Accordingly, it is not expected that significant returns will occur for a number of years after investments are made. During that period, investors will not benefit from any return of their investment. Therefore, there may be little or no near-term cash flow available to investors.

Investments Longer than Term

Although it is expected that a Cathay Fund's investments will be disposed of prior to dissolution or be suitable for in kind distribution at dissolution, the General Partner may have only a limited ability to extend the term of that Cathay Fund, and therefore, the Fund may have to sell, distribute or dispose of its investments at a disadvantageous time as a result of dissolution.

Competition for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. Cathay Capital will be competing for portfolio companies with other investment vehicles, as well as financial institutions and other institutional investors. Additional investment vehicles and companies with similar investment objectives may be formed by unrelated parties and further consolidations may occur (resulting in larger funds and vehicles). There can be no assurance that Cathay Capital can locate, complete and exit investments. There may be a considerable period of

time before a Cathay Fund is fully invested, if at all. This may lead to Cathay Capital only making a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few could significantly affect the return to investors, and failure to invest the total commitments will reduce the potential for returns. Increased competition also has an effect on acquisition and other costs, thereby potentially reducing investment returns.

Lack of Diversification

A particular Cathay Fund may make only a limited number of investments and, as a consequence, the aggregate return of the Cathay Fund may be substantially adversely affected by the unfavorable performance of a single investment. If Cathay Capital makes an investment with the intent of selling a portion of it, Cathay Capital may be unable to successfully complete such a sale. This concentration could lead to increased risk, unintended long-term investments and reduced diversification.

Valuation Risks

Cathay Capital does not expect there to be any liquid market, or only a limited liquid market, for the Cathay Funds' investments. Therefore, the fair value of these investments may not be readily determinable. Cathay Capital will value each Cathay Fund's investments periodically at fair value as determined by the General Partner. The valuations used for a substantial portion of the investments may not reflect the most recently available market information. The types of factors that may be considered in fair value pricing of the investments include discounted cash flows, comparable companies' analysis, comparable transactions analysis, prevailing market conditions with respect to the location of a portfolio company, similar asset sales and other relevant factors. Because such valuations are inherently uncertain, they may fluctuate over short periods of time and may be based on estimates. Therefore, the General Partner's determination of fair value may differ materially from the actual results obtainable in an arm's length sale of such investments to a third party.

Risks Relating to Due Diligence of Portfolio Companies

Before making investments, the General Partner and/or Cathay Capital will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisors or consultants may present a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced.

When conducting due diligence, the General Partner and/or Cathay Capital will rely on the resources available to them, including information provided by the target portfolio company and, in some circumstances, third-party investigations. The due diligence investigation may not reveal or highlight all relevant facts necessary or helpful in

evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Expedited Investment Decisions and Analyses

Investment analyses and decisions may be required to be undertaken on an expedited basis to take advantage of certain investment opportunities. In such cases, the information available at the time an investment decision is made may be limited, and Cathay Capital may not have access to complete information regarding a potential investment.

Platform/Staged Investments

Certain of a Cathay Fund's investments, especially those in a development or "platform" phase, may require additional financing to satisfy their working capital requirements. The amount of such additional financing needed will depend upon the maturity and objectives of the investment and current state of financing markets. Each such round of financing is typically intended to provide a company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a portfolio company may have to raise additional capital at a price unfavorable to the existing investors.

In addition, in the event Cathay Capital chooses to effect a transaction by means of a multi-step or "staged" acquisition, there can be no assurance that all of such required steps can be successfully consummated. This could result in a Cathay Fund owning a significant portion of a company without having working control over such company or access to its cash flow and without being able to dispose of investment at prices equal to or greater than its purchase price.

Lack of Operating Cash Flow

Portfolio companies may have no revenues from ongoing operations and may have recorded losses since inception. Moreover, they may expect to incur operating losses in future periods due to continuing expenses associated with the operation, development and/or expansion of such portfolio company's business. Any such portfolio company may have limited financial resources and its ability to achieve and maintain profitability and positive cash flow is dependent upon many factors, including the ability of the portfolio company's management to successfully implement its business strategy, global and local supply and demand for the goods or services such portfolio company offers and social, political and economic events and conditions impacting the markets in which such portfolio company operates.

Additional funds raised by a portfolio company through the issuance of equity or convertible debt securities will cause such portfolio company's current shareholders to experience dilution. Such securities may grant rights, preferences or privileges senior to those of the common shareholders. There is no certainty that a portfolio company will be able to raise funds in the event it needs to do so.

Controlling and Non-Controlling Investments

Cathay Capital may carry out some of a Cathay Fund's investments through the buyout or acquisition of controlling interests in portfolio companies. Acquisitions of such companies

have certain risks over and above those associated with the purchase of a minority interest in such companies. In addition, the exercise of control over an entity can impose additional risks of liability for its activities, including environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership may be ignored.

Alternatively, in the case of a non-controlling interest in a portfolio company, Cathay Capital may have a limited ability to protect the Cathay Fund's position in such investments. In such cases, the day-to-day operations of each such company will be the responsibility of the company's management team. In such cases, Cathay Capital will be significantly reliant on the existing management, board of directors and other shareholders who may not be affiliated Cathay Capital and whose interests may conflict with those of Cathay Capital.

Joint Ventures and Co-Investments with Third Parties

Instead of purchasing investments directly, the Cathay Funds may invest as a partner or a co-venturer with affiliates of the General Partner (including other investment funds managed by the General Partner or its affiliates and/or third parties through partnerships, joint ventures or similar arrangements), thereby acquiring jointly-controlled or non-controlling interests in certain investments. Such investments may involve risks not present in investments where another participant is not involved, including the possibility that such other participant may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Cathay Capital or may be in a position to take (or block) action in a manner contrary to the Cathay Fund's investment objectives. In addition, a Cathay Fund may be liable for the actions of its third-party partners or co-venturers. In certain circumstances involving a third-party management group, such third parties may receive compensation relating to such investments, including incentive compensation and management fees.

Currency Risks

The base currency of the Cathay Funds that Cathay Capital advises will be U.S. dollars, although some or all of the investments may be denominated in other currencies, including the yuan or renminbi (RMB) in China and the euro. Investors may therefore be exposed to currency exchange rate fluctuations. In addition, movements in the exchange rate between U.S. dollars and the currency applicable to a particular limited partner may have an impact upon such limited partner's returns in their own currency or account.

Financial Market Fluctuations

General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may affect Cathay Capital's ability to make investment and the value of the investments held by a Cathay Fund. While current market conditions may create opportunities to make investments at prices that Cathay Capital believes are attractive, it creates a number of risks. There can be no assurance that the market will become more liquid than it is at present and it may continue to be volatile for

the foreseeable future. A Cathay Fund may be adversely affected to the extent that it seeks to dispose of any of its investments into an illiquid or volatile market, and Cathay Capital may find itself unable to dispose of an investment at a price that reflects the investment's fair value. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted.

General Regulatory Risks

Legal, tax and regulatory changes could occur that may adversely affect Cathay Capital and the Cathay Funds. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by the Cathay Funds and their ability to obtain the leverage they might otherwise obtain or to pursue their trading strategies. New laws or revised regulations imposed by the SEC, other governmental regulatory authorities, self-regulatory organizations or industry bodies that supervise the financial markets that could adversely affect Cathay Capital may be adopted in the future. The Cathay Funds may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulatory authorities or self-regulatory organizations.

Investments Across Multiple Countries

The companies in which a Cathay Fund may invest in may operate in a number of different countries and may be exposed to various levels of political, economic and other risks and uncertainties. Differences in market conditions, laws, regulations and business practices across countries create legal and regulatory uncertainty and complications in the operation and development of the company's business, including: (i) differences in currencies, giving rise to exchange risks, including fluctuations in the rate of exchange between the U.S. dollar and the Chinese yuan or RMB and various non-U.S. currencies in which other non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iii) differences in the securities markets across the various countries, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less government supervision and regulation; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation, confiscatory taxation or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, and adverse economic and political developments; (v) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; and (vi) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) political hostility to investments by foreign or private equity investors and (ix) less publicly available information.

Chinese Regulatory Risks

Although the Chinese government has adopted regulations aimed at opening the Chinese economy to foreign investment, there are uncertainties concerning the measures taken by the Chinese government to implement those regulations and increase the transparency of the current regulatory framework.

The performance investments in China will depend on the continued progress of Chinese legal and regulatory reforms to make China more favorable to foreign investment and, in particular, depend upon actions by the Chinese government to:

- rationalize the approval procedure of transnational acquisitions and increase its transparency;
- establish a solid framework for organized competition;
- open the capital markets to foreign investors;
- encourage Chinese companies to adopt more transparent operating procedures and communicate accurate and updated financial information in order to facilitate the evaluation of potential acquisitions; and
- soften restrictions applicable to foreign participation and review the categories of firms which can or cannot be transferred to foreign investors.

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 your evaluation of Cathay Capital or the integrity of Cathay Capital's management. There are no material legal or disciplinary events to disclose related to Cathay Capital's business or its management.

Item 10. Other Financial Industry Activities and Affiliations

Cathay Capital is wholly-owned by Cathay Capital Private Equity LLC. In turn, Cathay Capital Private Equity is wholly-owned by Cathay Capital Europe S.a.r.l., a Luxembourg company founded in 2011 and controlled by Mingpo Cai, a Chinese entrepreneur. Mingpo Cai owns 80% of Cathay Capital Europe S.a.r.l., Edouard Moinet owns 15%, and Managing Partner, Hervé Descazeaux owns 5%.

Cathay Capital, its affiliates, key persons and other employees may conduct, for their own account or on behalf of others, business activities of the type conducted by a Cathay Fund. Conflicts may therefore arise in the allocation of personnel and resources. Cathay Capital and its affiliates, strive to maintain a culture of teamwork, collaboration, and leveraging synergies across various teams. Therefore, if such conflicts arise among the adequate

allocation of personnel and resources, it is expected that such issues will be resolved by reallocating resources so that adequate time and resources are devoted to each Cathay Fund.

Related General Partners

Various limited partnerships may serve as General Partners of the Cathay Funds, and Cathay Capital North American-Sino Fund Ltd. is currently the general partner of the sole General Partner.

The governance, investment strategy and decision-making process with respect to the investments held by the Cathay Funds is directed by ad hoc Investment Committees. The Investment Committee for the sole fund that is currently managed by Cathay Capital consists of:

- Mingpo Cai, the President, Chief Executive Officer, Treasurer and Secretary of Cathay Capital. Mr. Cai is also the Founder and President of Cathay Capital Europe S.a.r.l. which owns Cathay Capital Private Equity LLC., which owns Cathay Capital. Mr. Cai owns 80% of Cathay Capital Europe S.a.r.l.
- David Hoffman, Managing Partner based in the U.S.
- Lanchun Duan, Managing Partner based in Shanghai
- Jason Hu, Managing Partner based in Beijing

Cathay Capital is not affiliated with any broker-dealer, nor does it have personnel who are registered representatives of a broker-dealer. Neither Cathay Capital nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

Cathay Capital does not recommend or select other investment advisers. It does not receive compensation from any advisers or third parties.

Item 11. Code of Ethics, Participation or Interest in Fund Transactions and Personal Trading

Code of Ethics

Cathay Capital has adopted a Code of Ethics that complies with Rule 204A-1 under the Advisers Act. The Code of Ethics applies to all of Cathay Capital's covered persons. The term "covered person" means any partner, officer or director of Cathay Capital, or any other person occupying a similar status or performing similar functions, an employee of Cathay Capital; and any other person (including an independent contractor) who provides investment advice on behalf of Cathay Capital and is subject to the supervision and control of Cathay Capital.

Cathay Capital's Code of Ethics addresses the following areas: acting as a fiduciary by placing the interests of the clients first, avoidance of conflicts of interest, disclosure of outside business activities, reporting of certain gifts and entertainment, treatment of

confidential information, political contributions, prohibition against insider trading, and procedures for personal securities transactions of Cathay Capital's covered persons and pre-clearance of initial public offerings, limited offerings and private offerings. Each covered person is required to certify annually that he or she has read and understands the Code of Ethics. Cathay Capital will provide a copy of its Code of Ethics to any client or prospective client upon request. Please contact David Hoffman at david.hoffman@cathay.fr for a copy.

Cathay Capital's Chief Compliance Officer ("CCO") is responsible for ensuring that Cathay Capital receives duplicate brokerage account statements for anyone associated with Cathay Capital who has a securities account with a broker-dealer. A review of the trading activity of Cathay Capital personnel with such securities accounts will be conducted quarterly to ensure that the personnel comply with Cathay Capital's personal trading policy.

Conflicts of Interest

The conflicts of interest that may be encountered by Cathay Capital include those discussed below, although these discussions not describe all of the conflicts that may be faced by Cathay Capital and the Cathay Funds. Dealing with conflicts of interest is complex and difficult, and new and different types of conflicts are likely to subsequently arise.

The discussion below reflects the intended practices of Cathay Capital and the Cathay Funds. Please refer to the limited partnership agreement (or analogous organizational document) of the applicable Cathay Fund for details regarding the practices of each Cathay Fund.

Cathay Capital and its affiliates engage in a broad range of activities, including investment activities on their own account and for the account of other Cathay Funds or accounts, and providing other services.

Each of the Cathay Funds will form an advisory committee consisting of selected representatives of the limited partners (the "Advisory Committee"). An Advisory Committee will advise the General Partner regarding conflicts of interest and other issues. An Advisory Committee may waive certain provisions of the partnership agreements and will provide any consent required of the "client" under the Advisers Act. The members of an Advisory Committee will be entitled to reimbursement for reasonable out-of-pocket expenses incurred in connection with their service on the Advisory Committee. Advisory Committees will meet at least annually.

Miscellaneous Revenues

Cathay Capital and its affiliates may receive miscellaneous revenues payable by third parties arising from a Cathay Fund's investments or potential investments, which may include transaction, commitment, closing, monitoring, managing, directors', financing, structuring, divestiture, topping, break-up, advisory and financial consulting or other similar fees. Except for any fees authorized, acknowledged or approved in accordance with the relevant Cathay Fund's limited partnership agreement, Cathay Capital or its

affiliates shall either (i) remit to the Cathay Fund a pro rata share of such miscellaneous revenues (net of any applicable expenses) or (ii) offset or reduce the next installment of the management fee payable by the Cathay Fund to Cathay Capital under the relevant limited partnership agreement.

Other Activities of the Manager

Certain members and affiliates of Cathay Capital are investors in, and among the General Partners of, certain commingled funds, joint ventures and single-investor investment entities and public companies. Except with respect to investments required to be presented to a Cathay Fund pursuant to the partnership agreements (or other organizational documents), Cathay Capital, and/or its members or affiliates will not be restricted with respect to any other investment activities and platforms. Funds or investment entities managed by the members or affiliates of Cathay Capital may make investments in other companies that compete with the companies in which the Cathay Funds invest in and may be in competition with the vehicle for buyers and financings of assets. Additionally, conflicts may arise with respect to investment opportunities available to a Cathay Fund, Cathay Capital and other funds or entities managed by its members or affiliates. If such conflicts arise, allocation of such investment opportunities will be made by the General Partner and its affiliates in a manner that they determine, in their discretion, to be fair and reasonable while providing the best opportunity for the growth and development of the target company's business.

Cathay Capital will form a Compliance Committee consisting of the Investment Committee, the CCO, and the CFO to assist the CCO in the oversight of Cathay Capital's compliance program. In the case of such other activities, these activities will be reviewed by the Compliance Committee.

Allocation of Personnel

Cathay Capital's key persons and other employees may conduct, for their own account or on behalf of others, business activities of the type conducted by a Cathay Fund. Key persons and such employees will not be spending all of their time in connection with a particular Cathay Fund. Conflicts may therefore arise in the allocation of personnel and resources.

Cathay Capital and its affiliates, strive to maintain a culture of teamwork, collaboration, and leveraging synergies across various teams. Therefore, if such conflicts arise among the adequate allocation of personnel and resources, it is expected that such issues will be resolved by reallocating resources so that adequate time and resources are devoted to each Cathay Fund.

Existing Relationships

Cathay Capital's affiliates have long-term relationships with a significant number of industry and market participants. In determining whether to invest in a company on behalf of a Cathay Fund, the General Partner will consider those relationships and there may be certain transactions that will not be offered to or undertaken in view of such relationships.

In addition, the existence and development of such relationships may be taken into account in the management of a Cathay Fund and its investments. In serving on the board of any portfolio companies, Cathay Capital or an affiliate thereof may recommend actions by the portfolio company that would directly or indirectly compete with or adversely affect a Cathay Fund.

In the case of such existing relationships, these relationships will be reviewed by the Advisory Committee. If the pre-existing relationship involves a member of the Investment Committee, the member will be asked to abstain from any decision of whether to invest in a particular company.

Diverse Investor Group

Investors in the Cathay Funds may have conflicting investment, tax, and other interests. These conflicting interests may be related to, or arise from, among other matters, the acquisition or structuring of investments and the timing and disposition of investments. Conflicts of interest may arise in connection with decisions made by the General Partner or Cathay Capital that may be more beneficial for one investor than for another (for example with respect to investors' particular tax situations). In addition, the Cathay Fund may make investments that may have a negative impact on related or unrelated investments.

Side Letters

The General Partner (on its own behalf and/or on behalf of a Cathay Fund) and/or Cathay Capital, without any act, approval or vote of any limited partner, may enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more limited partners that have the effect of establishing rights under, or altering or supplementing the terms of any of the operative agreements. Any rights established, or any terms of any of the operative agreements altered or supplemented, in a Side Letter with a limited partner shall govern notwithstanding any other provision of any of the operative agreements. As a result of any Side Letters, certain limited partners may receive additional benefits that others will not receive. Neither the General Partner nor Cathay Capital will be required to notify any other limited partner of the existence of any Side Letters or any of the rights or terms or provisions thereof, and neither the General Partner nor Cathay Capital will be required to offer such additional or different rights or terms to any other limited partner. Other limited partners will have no recourse against the Fund, the General Partner, Cathay Capital or any of their respective affiliates in the event that one or more limited partners receive additional or different rights or terms as a result of any Side Letter.

In the case of Side Letters, these relationships will be reviewed by the Advisory Committee. If the Side Letter involves one of the members of the Advisory Committee, that member of the Committee will abstain from consideration of the Side Letter.

Allocation of Opportunities

As set forth in the relevant Cathay Fund's limited partnership agreement, for a limited period, the General Partner may be required to offer to the Fund each opportunity sourced

by Cathay Capital or its affiliates for that Cathay Fund to consider acquiring if such investment is a suitable for the Fund and the Fund has adequate available resources. Pursuant to the relevant limited partnership agreement, the General Partner may not need to offer to the Cathay Fund investment opportunities in certain circumstances, which may include, when the Advisory Committee has consented to otherwise, the General Partner determines in good faith it would not be in the Cathay Fund's best interest to invest in the opportunity, the General Partner has determined in good faith not to pursue the opportunity, the General Partner determines in its discretion that the opportunity is required to be offered to another Cathay Fund, client that is existing prior to the first occasion on which a limited partner is admitted to the Cathay Fund, or the General Partner determines in its discretion that the opportunity also meets the investment criteria for a successor fund.

From time-to-time, opportunities may arise for which investments in by more than one Cathay Fund will be appropriate. Please see Item 6 for a discussion of side-by-side management.

Item 12. Brokerage Practices

Cathay Capital focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions without the aid of a broker-dealer. Although Cathay Capital does not intend to regularly engage in public securities transactions, to the extent it does so, it will follow the brokerage practices described below.

Given the nature of Cathay Capital's business, Cathay Capital does not block trades nor does it recommend, request or require that a Cathay Fund direct Cathay Capital to execute transactions through a specified broker-dealer. Instead, the relevant Cathay Fund receives interests of ownership or shares at the prices set by and in transactions agreed to by the acquired company and Cathay Capital.

Cathay Capital does not receive research, products or services other than execution from broker-dealers or third parties in connection with client securities transactions in publically traded securities.

Cathay Capital does not engage in cross trades.

To the extent Cathay Capital is required by applicable law, and in the event Cathay Capital invests in a marketable security where the involvement of a broker is required, Cathay Capital has a fiduciary duty to seek to obtain best execution. Brokers will be selected with a view to obtaining best execution of transactions. Cathay Capital believes that best execution is typically achieved not necessarily by negotiating the lowest commission rate but by seeking to obtain the best overall result. Cathay Capital will consider all factors it deems

relevant including execution capabilities, financial stability of the broker, responsiveness, confidentiality, promptness, clearance, settlement, and price.

Item 13. Review of Accounts

Cathay Capital intends to closely monitor the portfolio companies of each Cathay Fund and will generally maintain an ongoing oversight position in such portfolio companies. The portfolio companies of each Cathay Fund are generally private, illiquid and long-term in nature and accordingly, Cathay Capital's review of them is not directed towards a short term decision to dispose of securities.

Cathay Capital will review client accounts on a quarterly basis, through meetings of the Cathay Capital valuation committee, which is composed variously of a cross-section of Cathay Capital personnel, including its investment directors, managing partners, partners and associates. Investment models and capital markets are monitored on a continuous basis. Additional reviews may occur when market conditions change or there are material events that would impact the assets in a Cathay Fund or the way it should be managed.

Cathay Capital's investment professionals prepare written quarterly valuation reports that are reviewed by Cathay Capital's valuation committee. These quarterly reports prepared contain a detailed list of holdings, performance review, and general market information. This information is used as the basis for the reports that are provided to investors in the Funds.

Item 14. Client Referrals and Other Compensation

This Item requires an investment adviser to provide information relating to its arrangements with third-parties through which it: (a) receives compensation from a third-party for providing investment management services to the adviser's clients; or (b) it provides compensation to third-parties for client referrals

Cathay Capital or its affiliates may occasionally earn break-up fees, transaction fees, deal monitoring fees, consulting fees, managing fees, directors' fees or other similar fees in connection with investments by the Cathay Fund. Such fees shall be applied by the General Partner to offset, pay or reserve for the payment of expenses (or to repay any credit facility drawdowns used to pay the same) or, if paid to the General Partner or its affiliates, to offset the management fee payable by the Cathay Fund, with any balance distributed in accordance with the distribution procedures; provided, that any fees or carried interest distributions received by the General Partner or its affiliates in connection with a co-investment opportunity shall be for the account of the General Partner or such Affiliate and shall not reduce the management fee. If an alternative investment vehicle, successor fund or other person or entity co-invests in an investment or would have co-invested in an unconsummated investment with the a Cathay Fund, then the partnership shall only be

entitled to the portion of such fees equal to the partnership's share of the proportionate amount that the Cathay Fund has or would have invested therein.

Cathay Capital intends to hire one or more placement agents in connection with the offering of the interests in the Cathay Funds. Each placement agent will be paid a fee by the Fund, or an affiliate thereof. Placement agents will not be acting as an investment advisor to potential investors in connection with the interests offered and will assume no obligations to potential investors. In making decisions, potential investors should be aware that a placement agent may seek to earn other fees or commissions from Cathay Capital and its affiliates in the future. Accordingly, placement agents may be influenced by its interest in future fees and commissions.

Item 15. Custody

Cathay Capital expects to maintain custody of the Cathay Funds' assets held in the Cathay Funds' names with First Republic Bank, a qualified custodian located in San Francisco, California.

Item 16. Investment Discretion

Cathay Capital has discretionary authority to manage investments on behalf of the Cathay Funds. Cathay Capital assumes this discretionary authority pursuant to the terms of the relevant Advisory Agreement. Investment advice is provided by Cathay Capital directly to the Cathay Funds, subject to the direction and control of the affiliated General Partner of such Cathay Fund and not individually to the investors in the Cathay Funds.

Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Cathay Funds, and are set forth in the documentation received by each limited partner prior to investment in such Cathay Fund.

Item 17. Voting Fund Securities

Cathay Capital has adopted Proxy Voting Policies and Procedures (the "Proxy Policy") to address how it will vote proxies, as applicable, for the each Cathay Funds' portfolio investments. The majority of "proxies" received by Cathay Capital will be written shareholder consents (or similar instruments) for private companies, although Cathay Capital may also receive traditional proxies from public companies.

If there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Cathay Capital may address the conflict using several alternatives, including by seeking the advice of the Advisory Committee on the proposed proxy vote, or through other alternatives set forth in the Proxy Policy.

Clients may discuss proxies and/or receive a copy of Cathay Capital's Proxy Policy by calling 212-858-9020.

Item 18. Financial Information

This Item requires investment advisers to provide certain financial information or disclosures about their financial condition. Cathay Capital does not require prepayment of fees six months or more in advance. Therefore it is not required to include a balance sheet with this brochure. Cathay Capital has no financial hardships or other conditions that might impair its ability to meet its contractual obligations to Clients. Cathay Capital has not been the subject of a bankruptcy proceeding.