

**PART 2A OF FORM ADV**

**FIRM BROCHURE**

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**This Brochure provides information about the qualifications and business practices of FountainCap Research & Investment (Hong Kong) Co., Limited. If you have any questions about the contents of this Brochure, please contact Andriy Chu at +852 2170 3318 or [andriy.chu@fountaincapri.com](mailto:andriy.chu@fountaincapri.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, and references in this Brochure to FountainCap Research & Investment (Hong Kong) Co., Limited as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

**Additional information about FountainCap Research & Investment (Hong Kong) Co., Limited is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

No material changes have been made to this Brochure since FountainCap Research & Investment (Hong Kong) Co., Limited (“FountainCap”) initially filed in March 2018.

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#### **Item 4 – Advisory Business**

<b>Item 4.A</b>	<p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p><b>Notes: (1) For purposes of this item, your principal owners include the <i>persons</i> you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.</b></p> <p>FountainCap Research &amp; Investment (Hong Kong) Co., Limited (“FountainCap” or the “Adviser”), a Hong Kong limited liability company, is an investment adviser formed on July 21, 2014. FountainCap was founded and is principally owned by Mr. Xiaofang Ding (Frank Ding) and Ms. Ying Xu (Vanessa Xu).</p> <p>FountainCap provides discretionary investment advisory services to FountainCap Global China Opportunity Fund (the “Fund”), a Cayman Island domiciled master-feeder structure organized as an exempt company with limited liability on February 3, 2015. FountainCap serves as a sub-adviser to clients including a pooled investment vehicle organized as an Undertakings for the Collective Investment of Transferable Securities (UCITS), a special purpose vehicle established by a third-party investment adviser, and institutional separately managed accounts (collectively, the “Sub-Advisory Funds”). FountainCap in the future may decide to manage additional private investment funds or separately managed accounts (collectively with the Fund and the Sub-Advisory Funds, the “Advisory Clients”).</p>
<b>Item 4.B</b>	<p><b>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</b></p> <p>Pursuant the Advisory Clients’ offering memorandum, subscription documents, and/or sub-advisory agreements, as applicable (collectively the “Governing Documents”), the Advisory Clients engage in long-only equity strategies focused on global investment opportunities arising from China’s restructuring and transformation. Advisory Clients attempt to gain long-term capital appreciation by investing in companies that have been thoroughly researched that are believed to have growth and/or value potential.</p> <p>Additionally, the Fund offers interests (“Interests”) to certain qualified investors as described in the response to Item 7, below (such investors or prospective investors, collectively with investors in the Sub-Advisory Funds unless the context requires otherwise, are referred to herein as “Investors”).</p>

<b>Item 4.C</b>	<p><b>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</b></p> <p>FountainCap does not tailor its advisory services to the individual needs of investors in the Fund (“Fund Investors”) and does not accept Fund Investor imposed investment restrictions.</p> <p>Advisory services may be tailored to achieve the Advisory Clients’ investment objectives and may impose certain restriction on certain securities or types of securities. Generally, FountainCap has the authority to select which and how many securities and other instruments to buy or sell when the selected securities are in line with investment guidelines and restrictions in the investment advisory mandates/agreements</p>
<b>Item 4.D</b>	<p><b>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</b></p> <p>FountainCap does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p><b>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</b></p> <p><b>Note: Your method for computing the amount of “<i>client</i> assets you manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “<i>client</i> assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your <i>brochure</i> in response to this Item 4.E</b></p> <p>As of February 26, 2018 FountainCap manages \$449,011,097 regulatory assets under management.</p>

## **Item 5 – Fees and Compensation**

<p><b>Item 5.A</b></p>	<p><b>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</b></p> <p><b>Note: If you are an SEC-registered adviser, you do not need to include this information in a <i>brochure</i> that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.</b></p> <p><b><u>Fund Fees</u></b></p> <p>FountainCap is compensated by Fund Investors in the form of a management fee that is payable quarterly in arrears. The Fund Management Fee accrues monthly and is calculated based on the aggregate Net Asset Value of each Share Class. Depending on the Share Class selected, the Fund Management Fee ranges from 1.0% p.a. to 2.0% p.a. of the Net Asset Value of the Shares the Fund Investor holds.</p> <p>Shares held by directors, members and employees of FountainCap are not subject to Fund Management Fees.</p> <p><b><u>Sub-Advisory Fees</u></b></p> <p>In connection with the advisory services provided to the Sub-Advisory Funds, FountainCap will receive compensation that is negotiated with each Sub-Advisory Fund adviser on an account-by-account basis. Fee arrangements may be incentive or performance based, and may be either inclusive or exclusive of fees assessed by other investment advisers to a fund.</p> <p>Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor or Advisory Client may vary.</p> <p>All expenses and Management Fees of the Fund are paid at the Master Fund level, resulting in these costs (including specifically allocable to the Fund) being paid pro rata by the Fund in accordance with its investments in the Master Fund (and, accordingly, pro rata among the Fund Investors in accordance with their respective investments in the Fund – other than in the case of Fund Investors paying reduced or no Management Fees).</p>
<p><b>Item 5.B</b></p>	<p><b>Describe whether you deduct fees from <i>clients'</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</b></p> <p>FountainCap is compensated by certain Fund Investors and Advisory Clients in the form of fees that are payable monthly/quarterly/semi-annually/annually in arrears depends on the applicable agreed payment schedules. The fees from the Fund are deducted from Fund Investors' assets, while FountainCap will bill all other Advsiory Clients for the fee incurred on the basis agreed upon in the applicable investment management agreement.</p>
<p><b>Item 5.C</b></p>	<p><b>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</b></p>

	<p>In addition to the fees payable to FountainCap, the Advisory Clients (and therefore Investors) will pay a variety of eligible expenses related to each Fund and Advisory Client's investments and operations, including, without limitation (i) management fees; (ii) all general investment expenses (i.e. expenses which FountainCap reasonably determines to be directly related to the investment of the Advisory Client's assets); (iii) all administrative, legal, accounting, auditing, recordkeeping, and tax form preparation expenses; (iv) and fees, costs, and expenses of third-party services providers that provide such services.</p> <p>For the above expenses that paid by FountainCap, it will be split and pro-rated based on the monthly NAV of the Fund and Advisory Clients first. Subject to the reimbursement arrangement with the Fund and Advisory Clients, FountainCap will reimburse eligible pro-rated expense from the respective Fund and/or Advisory Clients and bear the remaining pro-rated expenses by ourselves.</p> <p>In addition to the operation expenses discussed above, the Fund will also bear its own organizational expenses. The organizational and initial offering expenses of the Fund are currently being absorbed by FountainCap and will be reimbursed by the Fund (without interest). FountainCap currently is amortizing such reimbursement expenses for Net Asset Value purposes in a straight-line basis over 60 equal monthly installments beginning with the end of each such calendar month. This policy of amortization is not in accordance with International Financial Reporting Standards ("IFRS") and may accordingly result in either a different Net Asset Value being reflected in the annual audited accounts (based on IFRS), or the auditors qualifying the accounts.</p> <p>The Fund will not generally pay any of the FountainCap Parties' internal expenses (such as salaries, bonuses, or office rent), except as set forth above.</p> <p>The expenses to be paid by the Advisory Clients (and therefore Investors) are set forth in detail in the applicable offering documents. Thus, although the foregoing is a brief summary of the types of expenses the Advisory Clients (and therefore Investors) will generally bear, it is not an exhaustive or complete list. Investors and prospective investors should therefore review the applicable offering documents carefully because such documents, and not this brochure summary, describe the exact expenses the Advisory Clients (and therefore Investors) will bear.</p> <p>In connection with the investment management services FountainCap provides, it will bear all of its own normal and recurring operating expenses and overhead costs, except that research and research-related expenses may be paid for through the permitted use of "soft dollars" (as described in Item 12 - Brokerage Practices). The Management Fee may exceed the expenses borne by FountainCap on behalf of certain of the Advisory Clients.</p>
<b>Item 5.D</b>	<p><b>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</b></p> <p>Not applicable.</p>
<b>Item 5.E</b>	<p><b>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or</b></p>

	<p>service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable.</p>
<b>Item 5.E.1</b>	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable.</p>
<b>Item 5.E.2</b>	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable.</p>
<b>Item 5.3.3</b>	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable.</p>
<b>Item 5.E.4</b>	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p><b>Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes.</b></p> <p>Not applicable.</p>



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

**If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.**

As described in Item 5 above, FountainCap (or an affiliate) may receive performance-based compensation from the Advisory Clients.

It should be noted that the possibility that FountainCap (or an affiliate) could receive performance-based compensation creates a conflict of interest in that it creates an incentive for FountainCap to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation. Since the performance-based fees are calculated on a basis that includes unrealized appreciation of Advisory Client assets, such allocation may be greater than if it were based solely on realized gains. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Advisory Client and the risks associated with such performance-based compensation prior to making an investment.

FountainCap is required to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Advisory Clients. FountainCap recognizes that it is a fiduciary and as such must act in the best interests of the Advisory Clients.

Fee disclosures are provided to Advisory Clients (and thereby Investors) in the applicable fund documents or separately managed account investment management agreements and prospective Investors should review the relevant disclosures carefully.

## **Item 7 – Types of Advisory Clients**

**Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

As previously described in Item 4, FountainCap provides investment advice and management to the Fund and Sub-Advisory Funds and may in the future provide the same or similar services to other privately placed investment funds and/or separately managed accounts. With respect to the Fund, FountainCap intends to offer Interests only through non-public transactions in order to maintain the Funds' exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

Prospective Investors must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review the applicable Governing Documents, which set forth all of the terms in detail. Though the Advisory Clients generally pursue the same strategy, offering terms may differ.

The minimum investment in the Fund is \$1,000,000, which may be reduced by the Directors of the Fund, in their sole discretion.

Interests in the Fund may only be purchased by investors that are "accredited investors," as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified purchasers" or "knowledgeable employees," each as defined in the Investment Company Act of 1940, as amended (the "1940 Act").

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

<b>Item 8.A</b>	<p><b>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</b></p> <p><b><u>Strategy and Process</u></b></p> <p>FountainCap thoroughly researches companies before investing and seeks to buy the stocks of what it believes to be good companies at reasonable prices. FountainCap anticipates investing in companies with sustainable growth potential or fundamental values, and expects to hold their shares for the long term. Each of FountainCap's investment decisions is based on extensive proprietary fundamental research.</p> <p>FountainCap applies a variety of investment strategies for selecting stocks.</p> <p>Through its Profile Strategy, FountainCap seeks to buy companies it believes have sustainable earnings growth and/or value at reasonable prices.</p> <p>Through its Value Strategy, FountainCap invests in the stocks of companies with a value that we believe is below its actual worth.</p> <p>Through its Restructuring Strategy, FountainCap invests in the stocks of companies that enhance competitive positioning and earnings growth on an on-going basis and unlock hidden value via significant restructuring and changes.</p> <p><b><u>Risk Management</u></b></p> <p>FountainCap views risk in terms of the chance of capital loss. Therefore, FountainCap tries to manage risk on an ongoing basis. Managing investment risk is integral to the investment process and is addressed at several points in the research, analysis, and portfolio construction stages. FountainCap believes that thorough fundamental research throughout the investment process is critical to risk management. The extensive research network we established, coupled with the "Backpack" on-the-ground research, provides FountainCap with an edge in identifying investment pitfalls as early as possible and avoiding them. Once an investment is made, FountainCap conducts regular monitoring to re-confirm the conviction and thesis. Stocks are monitored on a regular basis. The objective of monitoring is to identify early warning signals of a change in the Fundamentals of the investment thesis. FountainCap also expects to monitor the overall market volatility and liquidity situation regularly. FountainCap avoids overweight positions on certain sectors or stocks that Advisory Clients might be exposed to. FountainCap has a proactive approach in managing sell discipline and continually evaluate holdings and the dynamic factors that might lead to capital loss.</p> <p>Investing in securities involves a risk of loss that investors should be prepared to bear. Investors should consider the risk factors described in Item 8.B and Item 8.C before investing. The following list does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Advisory Clients. Prospective Investors are urged to consult their professional advisers and to review the legal documents for each particular Advisory Client before deciding to make an investment in an Advisory Client.</p>
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<p><b>Item 8.B</b></p>	<p><b>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</b></p> <p>As a general matter, FountainCap utilizes the methods of analysis and investment strategies described in the Advisory Clients’ offering and governing documents. The information contained herein is a summary only and Investors should refer to the Funds’ offering and governing documents for a complete overview of FountainCap’s methods of analysis and investment strategies and the material risks associated therewith. No guarantee is made that the investment objectives of the Advisory Clients will be realized. Below is a list of potential investment risk factors. There is no guarantee that this is a complete list of the risks, that Advisory Clients will be able to control investment risks or that the risks will not aggregate in a manner adverse to the Advisory Clients. The risks associated with particular investments by Advisory Clients include, but are not limited to, the following:</p> <p><b>General risks of investing.</b> The liquidity of the capital markets, and the securities traded on these capital markets, is not guaranteed or assured, as seen in the wake of the global financial crisis and the Eurozone sovereign debt crisis. We provide no assurance about the liquidity of our assets, the security of our assets in custody, or regulatory change. You may lose all or substantially all of your investment.</p> <p><b>You may lose all or substantially all your investment.</b> An investment is speculative and involves substantial risks. Our results will be measured over a relatively long period. Therefore, you should not have any need for monies invested to meet current needs or ongoing financial requirements. Our investment objective is to achieve long-term capital appreciation via investment in equities in various recognized capital markets that have significant exposure to the Greater China region, which we think of as the People’s Republic of China (Mainland China and its special administrative regions of Hong Kong and Macau) and the Republic of China (Taiwan) as an economically integrated unity. Our results will be significantly correlated to the overall equity price levels of the securities we purchase.</p> <p><b>Investors will have no right or power to participate in managing or controlling the Fund and the Master Fund.</b> You are depending solely on the ability and the continued availability of FountainCap to make investments. FountainCap, in turn, depends on the services of certain key personnel, and the loss of the services of one or more of these key professionals could impair the ability of FountainCap to provide services to the Fund and/or the Master Fund and be material and adverse to the performance of the Fund or the Master Fund.</p> <p><b>Though FountainCap has broad discretion in making investments for Advisory Clients, we cannot assure you that FountainCap will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments.</b> The prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results and the value of investments. In</p>
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addition, the value of an Advisory Client's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that investment objectives will be achieved.

**Advisory Client investment portfolios will be impacted by uncertain geo-politics and sovereign finances.** The equity markets are sensitive to geo-politics and sovereign finances, which are subject to numerous factors — social programs, political pressure, supra-national economic actions, anti-terrorist actions, military conflicts, trade wars — which are not included in FountainCap's analytic framework and may occasionally overwhelm the idiosyncratic, company-specific factors (even if correctly identified by FountainCap) on which FountainCap focuses in attempting to construct a portfolio for the Fund to achieve its investment objectives.

**Risks Related to Investments in Asia and Emerging Economies**

To the extent FountainCap invests in companies listed in Asian stock exchanges, our Advisory Clients will be exposed to the following risks.

**There are some particular risks of investing in the PRC and other Asian economies you should know about.** The emerging Asian equity markets have begun to expand and open to international investments only in recent years, and are neither as developed nor as efficient as those in the U.S. or Europe. The trading volumes in Asian equity markets are usually lower than on U.S. and European markets, resulting in greater liquidity risk as well as the risk of more rapid and erratic price fluctuations. In particular, investments in PRC and other emerging Asian companies involve certain risks and special considerations not typically associated with developed markets, such as greater government control over the economy, political and legal uncertainty, currency fluctuations or blockage, confiscatory taxation, armed conflict, the risk that the PRC government may decide not to continue to support economic reform programs, the risk of nationalization or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, fewer hedging instruments available, potential difficulties in enforcing contractual obligations, potentially fewer opportunities for capital appreciation than other emerging market and limitations on the ability to pay dividends due to currency exchange issues, which may result in the risk of the loss of favorable tax treatment.

**Brokerage commissions charged on Greater China and other Asian stock exchanges are generally higher than negotiated commissions on a number of other international market exchanges, and custody expenses are generally higher as well.** Settlement practices for transactions in Greater China and other Asian markets may involve delays beyond periods customary in developed markets, possibly requiring Advisory Clients to borrow funds or securities to satisfy obligations arising out of other transactions that would otherwise have been settled with the proceeds of another transaction.

**There are differences in the legal and tax systems of PRC and other Asian countries.** The legal and tax systems of certain countries in Asia are less predictable than most legal and tax systems in countries with fully developed capital markets. Currently, the tax rules and regulations prevailing in certain countries in Asia are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such

	<p>laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies often experience delays when obtaining governmental licenses and approvals. These factors contribute to the exogenous, systemic risks to which Advisory Clients may be exposed. In some countries, especially developing or emerging countries, regulatory, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation.</p> <p>There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable by Advisory Clients itself may reduce returns for the Investors. In addition, changes to tax treaties (or their interpretation) between countries in which Advisory Clients invests, and countries through which Advisory Clients conducts its investment program, may have significant adverse effects on Advisory Clients' ability to efficiently realize income or capital gains. Consequently, Advisory Clients may face unfavorable tax treatment resulting in an increase in the taxes payable by Advisory Clients on its Investments. Any such increase in taxes could reduce the investment returns that might otherwise be available to the Investors.</p> <p><b>There is less company information and regulation in the PRC and other Asian countries.</b> Generally, there is less publicly available information about PRC and other Asian companies. This may make it more difficult for FountainCap to stay informed of corporate action that may affect the price of a particular security. Further, many countries lack uniform accounting, auditing, and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and compare the performance of certain PRC and Asian companies.</p> <p><b>The stock exchanges of certain Asian countries have smaller market capitalization and are more volatile than the securities markets in the US and the United Kingdom.</b> Certain of these stock exchanges have experienced substantial fluctuations in the prices and trading volumes of listed securities from time to time. Certain Asian governments have also been known to intervene in the securities market in a manner that may affect market price and liquidity of Advisory Clients' investments.</p> <p><b>The stock exchanges in certain Asian countries have experienced certain problems, including market manipulation, insider trading and payment defaults.</b> The recurrence of these or similar problems could have a material adverse effect on the market price and liquidity of the securities of certain Greater China companies, which may, in turn, have an adverse impact on Advisory Clients' investments.</p> <p><b>FountainCap's strategies are subject to multiple dimensions of market risk.</b> By investing in Advisory Clients, you will be exposed to unexpected directional price movements; international, or Greater China-specific factors adversely affecting the price level of Greater China equities in general; momentum pricing dominating the Fund. Fundamental economic factors on which FountainCap focuses in its equity selection; changes in the regulatory environment (in Greater China and/or in other global markets); changes in market volatility; "flights to quality"; and "credit squeezes." The great degree of exposure of Advisory Clients' portfolio in Greater China materially increases its</p>
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	<p>market risk in that the prices of these equities may react more violently and abruptly to market changes than the equities traded in established equities markets. During periods of market disruption, the Greater China and other Asian equity markets may be treated by the global markets in general as part of commoditized “emerging market” risk and heavily devalued. Advisory Clients may materially underperform other investment funds with a substantially similar investment objectives and approaches.</p> <p><b>Equity prices have been subject to periods of excessive volatility in the past, and we expect these periods to recur.</b> Price volatility is influenced by many unpredictable factors, such as market sentiment, inflation rates, interest rate movements, and general economic and political conditions. On the other hand, the equities markets occasionally enter into “stagnant” periods of significantly reduced volatility. The volatility of the Greater China and other Asian equity markets can be expected to exceed that of certain other equity markets due to the less developed stage of these markets. FountainCap believes that its strategy can be successful in a wide range of volatility environments. However, the profit potential of this strategy could be adversely affected during periods when market volatility approaches extreme levels (either high or low).</p> <p><b>Concentration on the equities of Greater China and other Asian companies will also put Advisory Clients at material risk of political, economic and other factors in Greater China and the relevant Asian countries.</b> Equity prices, globally, are vulnerable to the effects of economic intervention by any major government. U.S. or European monetary and/or stimulus policies may for example, materially affect the equities of Greater China and other Asian Companies.</p> <p><b>Market disruptions caused by unexpected political, military and terrorist events may cause dramatic losses for Advisory Clients.</b> Market disruptions can damage Advisory Clients in ways that cannot be predicted. Due to the less developed state of the Asian equity markets, they may be more vulnerable and less able to absorb the damage caused by market disruptions than are more developed equity markets.</p> <p><b>Other Instruments.</b> The Greater China and other Asian equities markets are rapidly developing and it is likely that a number of new financial instruments will be developed in the near future as a means of accessing these markets. While Advisory Clients will maintain its focus on Greater China equities, it is not possible to predict what instruments Advisory Clients may use to do so over time, certain of which may be subject to their own particular risks. Furthermore, many equity-linked instruments are materially less liquid than the underlying equity itself, which could cause materially increased risk to Advisory Clients under certain market scenarios.</p> <p><b><u>Risk Related to Investing in PRC Companies</u></b></p> <p><b>The PRC imposes restrictions on foreign investment.</b> To gain indirect exposure to Greater China companies, Advisory Clients may rely on “Qualified Foreign Institutional Investors (or “<b>QFII</b>” quotas) or “Offshore Renminbi Qualified Foreign Institutional Investors” (or “<b>RQFII</b>” quotas) granted by the PRC to qualified foreign brokers or other financial institutions, or the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect mechanism launched on November 17, 2014 and December 5, 2016 respectively.</p>
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	<p>FountainCap may make investments through one or more additional QFIIs/RQFIIs that enter into arrangements with Advisory Clients subsequent to your investment. These arrangements may have terms materially different from Advisory Clients' existing QFII/RQFII arrangements.</p> <p>Risks in relation to the pilot program for the mutual trading access between the Shanghai and Hong Kong and the Shenzhen and Hong Kong stock markets ("<b>Shanghai-Hong Kong Stock Connect</b>" and "<b>Shenzhen-Hong Kong Stock Connect</b>" respectively, the "<b>Shanghai and Shenzhen Stock Connect</b>" collectively).</p> <p>Although the Shanghai and Shenzhen Stock Connect creates for the first time a channel for mutual market access between SSE, SZHE and SEHK, such trading involves risks due to the inherent differences between the two markets.</p> <p>In addition, the SEHK, SSE and SZHE have certain prescribed rules with respect to trading under the Shanghai and Shenzhen Stock Connect. For example, investors may be prohibited from using securities purchased through the Shanghai and Shenzhen Stock Connect to settle any sell orders placed through channels other than Shanghai and Shenzhen Stock Connect. Accordingly, there may be a limited market and/or lower liquidity for securities purchased through the Shanghai and Shenzhen Stock Connect (as compared to the same shares purchased through other channels). The imposition of a trading quota means that there is no assurance that a buy order can be successfully placed through the Shanghai and Shenzhen Stock Connect.</p> <p>Finally, changes in this cooperative arrangement may have an adverse impact on the trading of securities, which may adversely affect Advisory Clients' investment in such securities.</p> <p>The factors mentioned above could negatively affect Advisory Clients' NAV, the ability to redeem Shares and the price at which the Shares may be redeemed.</p> <p>A-Shares dealt on SSE and SZHE are dealt and held in dematerialized form through the China Securities Depository &amp; Clearing Corporation Limited ("<b>CSDCC</b>"). The evidence of title of exchange-traded securities in the PRC consists only of electronic book entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully-tested in regard to their efficiency, accuracy, and security.</p> <p>Securities dealt on SSE and SZHE will be registered in the name of the Hong Kong Securities Clearing Company Limited ("<b>HKSCC</b>") and thus the exercise of Advisory Clients' rights as beneficial owner must comply with the laws and regulations of Hong Kong, i.e. the Central Clearing and Settlement System General Rules and Operational Procedures issued by HKSCC. The CSRC will fully respect the certification issued by HKSCC as long as such certification is treated as lawful proof of the beneficial owner's holding of the securities under Hong Kong law.</p> <p><b>These risks may be more pronounced for the A Share market than for PRC securities markets generally because the A Share market is subject to greater governmental restrictions and control.</b> A Shares are traded in Renminbi on SSE and SZHE. A Shares are issued by companies incorporated in the PRC and, as stated above,</p>
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may be purchased only by PRC domestic investors and foreign investors under certain mechanisms. The investment in any QFII quota or via Shanghai and Shenzhen Stock-Connect may be affected by the taxation levied against the relevant QFIIs or against the investments held under the relevant mechanisms. The PRC taxation regime that will apply to QFIIs and investments made in or through QFII quotas or via Shanghai and Shenzhen Stock-Connect is not clear. The PRC's investment regulations are new and do not currently expressly contemplate the treatment of QFIIs and investments made through QFII quotas or via Shanghai and Shenzhen Stock-Connect. It should be noted that the position with regard to PRC taxation of Advisory Clients and its gains and profits remains unclear and practicing standards may vary from local regulatory or tax authorities.

**The PRC's legal and tax systems are less predictable than most legal and tax systems in countries with fully developed capital markets.** Currently, the tax rules and regulations prevailing in the PRC are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies may experience delays in the PRC when obtaining governmental licenses and approvals. These factors contribute to the exogenous and systemic risks to which Advisory Clients may be exposed. There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or various other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable in connection with the investments or by Advisory Clients may reduce the returns for the Investors. In addition, changes to tax treaties (or their interpretations) between countries in which Advisory Clients invests and countries through which Advisory Clients conducts its investment program, may have significant adverse effects on Advisory Clients' ability to efficiently realize income or capital gains. Consequently, Advisory Clients may face unfavorable tax treatment resulting in an increase in the taxes payable by Advisory Clients on its investments. Any such increase in taxes could reduce the investment returns that might otherwise be available to the Investors.

In addition, foreign investment and mergers and acquisitions laws in PRC are also constantly changing and such changes (which may take retrospective effect) could adversely affect the ability of Advisory Clients to exploit investment opportunities and/or the investments already made by Advisory Clients when the changes come into effect.

**Interpreting the Laws and Regulations of the PRC involves uncertainty.** Certain aspects of the investment activity conducted on behalf of Advisory Clients may be governed by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be used as a reference. However, due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, the interpretation of PRC laws and regulations will involve a degree of uncertainty. In addition, any litigation in the PRC may be protracted and result in substantial costs and the diversion of resources and management attention. All these uncertainties may cause difficulties in the enforcement of statutory and contractual rights and interests. It cannot be predicted whether changes in the laws, regulations, and policies of the PRC will have any adverse effect on Advisory Clients or FountainCap's financial condition.

**Certain of Advisory Clients’ transactions may be undertaken through local brokers, banks or other organizations in the PRC, which will subject Advisory Clients to the risk of their default, insolvency, or fraud.** There can be no assurance that any money advanced to such organizations will be repaid or that Advisory Clients would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose Advisory Clients to a variety of risks including theft, loss and destruction. Advisory Clients also depend on the general soundness of the banking systems in the PRC that, in some cases, remain relatively under-developed or unstable compared to developed markets such as the U.S. and the United Kingdom.

**The Renminbi is not currently a freely convertible currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations.** Further, there are certain restrictions and controls on repatriation of investment income and capital. Advisory Clients could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to Advisory Clients of any restrictions on investments. Investing in entities either in, or which have a substantial portion of their operations in, the PRC may require Advisory Clients to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to Advisory Clients.

**Strategy Risks**

**Advisory Clients are subject to the “risk of ruin” — unanticipated severe losses — to a materially greater degree than more diversified portfolios because our portfolio will have a great degree of exposure to Greater China companies.** These companies are subject to extrinsic forces — e.g., government intervention, changes in operational mechanisms of the capital markets their securities are listed, and exchange-rate movements — to a materially greater degree than certain other equity markets.

**Advisory Client portfolios are subject to risks in connection with investments in equities.** Advisory Clients will concentrate its portfolio by investing directly and indirectly in the common equities of Greater China companies. Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and other factors, influence the cost of equities and may dominate over idiosyncratic factors specific to the particular issuer in question; there can be no assurance that FountainCap will be able to predict the future price levels of the equities in which Advisory Clients invests correctly or that FountainCap’s active management of Advisory Clients’ portfolios will not cause it to underperform rather than outperform.

**FountainCap will seldom be able to confirm information and data provided by issuers in which we invest.** FountainCap may select investments for Advisory Clients in part based on information and data filed by the issuers of such equities with various government regulators or made directly available to FountainCap by the issuers of securities or through sources other than the issuers. Although FountainCap will evaluate all such information and data and seek independent corroboration when FountainCap considers it appropriate and when it is reasonably available, FountainCap will not be in a position to confirm the completeness, genuineness or accuracy of such information and data and, in some cases, complete and accurate information will not be readily available.

	<p><b>Advisory Clients invest primarily in equities, there is a risk of the lack of diversification in relation to the types of investment products.</b> This concentration on equities will cause Advisory Clients to be less diversified and presumably more vulnerable to the risk of major losses than if it had a more diversified strategy in terms of the types of securities that it acquires.</p> <p><b>The strategy is long-only, without meaningful hedging of Advisory Clients' exposure to alleviate equity declines.</b> FountainCap generally will not attempt to hedge Advisory Clients outright exposure to equity price levels. Not only are there few instruments available with which this exposure can be efficiently hedged, but also the cost as well as the concept of hedging is inconsistent with the objective of Advisory Clients (particularly given the unleveraged nature of Advisory Clients' strategy). The strategy provides investors with outright "long" directional exposure to equities it acquires. Generally speaking, if these equities decline in value, so will Advisory Clients and your investment.</p> <p><b>Changes in exchange rates could have a significant impact on the Net Asset Values that FountainCap reports.</b> The strategy offers shares denominated in U.S. dollars, and may offer shares denominated in other currencies in the future. The functional currency will be the U.S. dollar because FountainCap expects that a majority of investments will be made in U.S. dollar-denominated or U.S. dollar-pegged (e.g., Hong Kong dollars) instruments. Under current regulations governing the Shanghai and Shenzhen Stock Connect, FountainCap may be permitted to invest directly in RMB denominated equities. The Shanghai and Shenzhen StockConnect requires capital invested in the PRC domestic A-share market (and any gain from the investment) to be returned to Hong Kong and not reinvested in the PRC, which means that Advisory Clients will be exposed to exchange rate risks going into the PRC markets and back out to the Hong Kong market. When valuing investments that are denominated in RMB, as well as currencies other than the U.S. dollar, we will be required to convert the values of these investments into U.S. dollars based on prevailing exchange rates as of the end of the applicable accounting period. Changes in exchange rates between the U.S. dollar and other currencies accordingly could have a significant impact on the Net Asset Values that we report. The performance of the shares will be reported, fees will be calculated, and all subscriptions and Redemptions will be transacted in each class's functional currency. Currency hedging loss or gain will be included in calculating the amount of any management fee due with respect to a given class.</p> <p><b>As Advisory Clients will not use direct leverage, it will not be able to generate increases in Net Asset Value greater than the equities it holds.</b> Although it may incur indirect or notional leverage due to its investment activities, Advisory Clients will not use leverage in its trading, which means that its market exposure will not exceed, and will generally be less than, its Net Asset Value. While using leverage increases market exposure and risk, it also increases profit potential. As Advisory Clients will not use direct leverage, it will not be able to generate increases in Net Asset Value greater than the equities it holds. Furthermore, Advisory Clients' ability to recover from a major Redemption will be limited, as Advisory Clients will not be able to use leverage following a Redemption to restore its market exposure to a level comparable to its market exposure when the Redemption occurred.</p> <p><b>FountainCap's risk reduction techniques may not always work and may not always be available for use.</b> The strategy may use various risk reduction strategies designed to</p>
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	<p>minimize the risk of its trading positions. Substantial risk remains, nonetheless, that such strategies will not always be possible to implement and, when possible, will not always be effective in limiting losses. If FountainCap’s portfolio management team analyzes market conditions incorrectly, or employs a risk reduction strategy that does not correlate well with Advisory Clients’ investments, such risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These risk reduction techniques may also increase the volatility of Advisory Clients and/or result in a loss if the counterparty to the transaction does not perform as promised.</p> <p><b>The strategy is exposed to model risk, which is the risk that FountainCap’s financial models may be applied inappropriately or otherwise implemented incorrectly.</b> FountainCap will develop company valuation models in selecting the equities in which Advisory Clients will invest. These models generally seek to forecast the value and growth of targeted companies based upon a limited number of factors and inputs. The forecasts generated by these models may differ substantially from actual realizations, resulting in major losses. There can be no assurance that FountainCap will be successful in developing and maintaining effective financial models. There are a range of ways in which FountainCap’s financial models can go wrong. For example, FountainCap’s model may simply be inapplicable. In addition, FountainCap may not have taken into account all the factors that affect valuation or may have made incorrect assumptions about relationships between factors. The models used by FountainCap may depend upon inputs from various sources, and if these inputs are not accurate, unexpected losses may be incurred. FountainCap anticipates the continued modification, enhancement, and development of models. Each new generation of models (including incremental improvements to current models) exposes Advisory Clients to the possibility of unforeseen losses from a variety of factors, including conceptual and/or implementation failures in the design and/or application of such models.</p> <p><b>Some of Advisory Clients’ positions may unexpectedly become illiquid, making it infeasible to close out positions against which the market is moving to limit losses or to recognize profits on profitable positions.</b> The market for equities Advisory Clients invests in may exhibit periods of illiquidity that would be unlikely to occur on U.S. or European stock exchanges. Government intervention could very quickly eliminate the liquidity in most if not all of the positions held by Advisory Clients.</p> <p><b>The prices of the equities held by Advisory Clients may be sensitive to interest-rate fluctuations.</b> The operations of Greater China and other Asian companies are sensitive to interest-rate changes. To the extent these issuers rely on financing for working capital needs, their profitability will be materially impacted by changes in interest rates, and these changes can materially affect consumer demand for many products made by these issuers. The exchange rate between the U.S. dollar, Renminbi and other Asian currencies will be materially influenced by the interest-rate differential between the United States and relevant countries. FountainCap does not purport to have any expertise predicting future interest- rate movements, particularly as interest rates can be materially influenced by government intervention reflecting changing political as well as macro-economic factors.</p> <p><b>FountainCap may invest in Initial Public Offerings and Secondary Offerings, which involves a lot more uncertainties than seasoned offerings.</b> Advisory Clients may invest in securities offered in initial public offerings (“IPOs”). It is difficult to predict what such securities will do on the issuer’s initial day of trading and in the near future since there is</p>
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	<p>often little historical data with which to analyze the issuer. In addition, most IPOs are of issuers undertaking a transitory growth period, and they are therefore subject to additional uncertainty regarding their future value. In addition, there will usually be a delay between the offer date of an IPO and the allocation date. During this period Advisory Clients will not know the amount of IPO securities it will acquire and as a result will not know how much to hedge for this period.</p> <p>In addition to investing in IPOs, Advisory Clients may invest in securities offered in secondary offerings and block trades. When IPOs and secondary offerings are “hot,” appealing to many investors, the demand will far exceed the supply. This may result in Advisory Clients receiving fewer securities than it subscribed for. The excess demand can generally only be satisfied once trading in the IPO securities begins or a liquid secondary market develops.</p> <p><b>IT IS PARTICULARLY IMPORTANT THAT INVESTORS CAREFULLY CONSIDER WHETHER A HIGHLY SPECULATIVE INVESTMENT IN THE FUND IS SUITABLE FOR THEM. AN INVESTMENT IN THE FUND IS LIKELY NOT TO BE SUITABLE FOR MANY INVESTORS. AN INVESTMENT IN THE FUND MAY NOT BE CONSISTENT WITH MANY INVESTORS’ PORTFOLIO OBJECTIVES OR INVESTMENT RESTRICTIONS DUE TO: (A) THE POTENTIAL FOR RESTRICTED LIQUIDITY OF THE SHARES; (B) THE POSSIBILITY OF THE FUND RECEIVING A QUALIFIED AUDIT REPORT; AND (C) A VARIETY OF OTHER FACTORS.</b></p>
<b>Item 8.C</b>	<p><b>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</b></p> <p>See response to <u>Item 8.B</u></p>

## **Item 9 – Disciplinary Information**

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

Item 9.A	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"><li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</li><li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li><li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li><li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i></li></ol> <p>Not applicable.</p>
Item 9.B	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"><li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li></ol>

	<p>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority</p> <p>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</p> <p>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</p> <p>(c) otherwise significantly limiting your firm's or a <i>management person's</i> <i>investment-related</i> activities; or</p> <p>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</p> <p>Not applicable.</p>
Item 9.C	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <p>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</p> <p>2. was <i>found</i> to have been <i>involved</i> in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</p> <p>Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a <i>management person</i> to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the <i>person involved</i> in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).</p> <p>Not applicable.</p>

## **Item 10 – Other Financial Industry Activities and Affiliations**

<b>Item 10.A</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable.</p>
<b>Item 10.B</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable.</p>
<b>Item 10.C</b>	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p>Mr. Xiaofang Ding is a co-founder, Director and Chief Investment Officer of FountainCap and also serves as Director to the FountainCap Global China Opportunity Master Fund. He also serves as Director to FountainCap Research &amp; Investment Co., Ltd, which provides investment management, operational, and administrative services to the FountainCap Global China Opportunity Master Fund.</p> <p>Ms. Ying Xu is a co-founder, Director and Chief Executive Officer of FountainCap and also serves as Director to FountainCap Research &amp; Investment Co., Ltd, which provides investment management, operational, and administrative services to the FountainCap Global China Opportunity Master Fund.</p> <p>Certain of FountainCap’s employees may invest directly in the Fund. FountainCap has adopted a Code of Ethics concerning trading by personnel of FountainCap that is designed to detect and prevent potential conflicts of interest between FountainCap and the Fund and Investors. Please refer to Item 11 below for additional information regarding FountainCap’s Code of Ethics.</p>



<b>Item 10.D</b>	<p><b>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</b></p> <p>Not applicable.</p>

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

<p><b>Item 11.A</b></p>	<p><b>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</b></p> <p>FountainCap has adopted a Code of Ethics (the “Code”) designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (“Advisers Act”). The Code sets forth a standard of business conduct that takes into account FountainCap’s status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and Investors above their own interests. Each employee of FountainCap is deemed to be an Access Person.</p> <p>The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of FountainCap’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.</p> <p>As further discussed in <u>Item 11.C</u> below, the Code also sets forth certain reporting, notification and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must pre-clear transactions in securities, including those involving initial public offerings or limited offerings. Access Persons must also provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports.</p> <p>In summary, the Code is designed to (i) prevent improper personal trading by FountainCap’s Access Persons; (ii) prevent improper use of material, non-public information about securities recommendations made by FountainCap or securities holdings of FountainCap’s Advisory Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of Advisory Clients.</p> <p>Further, FountainCap’s Code of Ethics ensures the protection of nonpublic information about the activities of Advisory Clients. Investors or prospective Investors may obtain a copy of FountainCap’s Code of Ethics by contacting the Chief Compliance Officer, Andriy Chu at +852 2170 3318 or Andriy.Chu@fountaincapri.com.</p>
<p><b>Item 11.B</b></p>	<p><b>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</b></p> <p><b>Examples: (1) You or a <i>related person</i>, as principal, buys securities from (or sells securities to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i></b></p>

	<p>As described above, FountainCap serves as the investment manager and its related person Mr. Ding serves on the Board of Directors of the Fund. FountainCap, and Mr. Ding, as a member of the Board of Directors may offer interests/shares in the Fund to prospective Investors.</p> <p>Additionally, Mr. Ding and Ms. Xu invest in the Fund; such investments in the Fund may not be subject to the management or performance-based fees described in <u>Item 5</u> above.</p> <p>The fact that Mr. Ding and Ms. Xu have financial ownership interests in the Fund creates a potential conflict in that it could cause FountainCap to make different investment decisions than if it did not have such financial ownership interest. Such potential conflicts are addressed by the personal securities transaction pre-clearance and holding requirements described in <u>Item 11.A</u> and <u>11.C</u>.</p> <p>The Code requires Access Persons to place the interests of Advisory Clients and Investors over their own or those of FountainCap, and all Access Persons are required to acknowledge their receipt and understanding of the Code.</p>
<b>Item 11.C</b>	<p><b>If you or a <i>related person</i> invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</b></p> <p>FountainCap prohibits its employees from effecting transactions for their own accounts in the same securities purchased and sold for the accounts of FountainCap clients.</p> <p>This presents a conflict of interest in that an employee could make improper use of information regarding an Advisory Client's holdings, future transactions or research paid for by the Advisory Clients. For example, an Access Person could take for himself or herself an investment opportunity available to an Advisory Client.</p> <p>FountainCap manages the conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict guidelines for Access Persons on pre-clearance and initial, quarterly and annual reporting requirements. Specifically, FountainCap's Code of Ethics requires Access Persons of FountainCap to obtain prior written approval from FountainCap's Chief Compliance Officer before engaging in investments for personal accounts as well as any transactions in reportable securities in which such Access Person has direct or indirect beneficial ownership. The Chief Compliance Officer may only approve the transaction if he concludes that the transaction would comply with the provisions of the Code of Ethics and is not likely to have any adverse economic impact on the Advisory Clients. FountainCap will also maintain a "Restricted Securities" list, which will include any securities about which any Access Persons has material, non-public information. Any security appearing on the Restricted Securities list will not be approved for personal trading.</p> <p>The Chief Compliance Officer and/or his designee reviews each Access Person's personal transaction reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p>

<b>Item 11.D</b>	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p><b>Note:</b> The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not “reportable securities” under SEC rule 204A-1(e)(10) and similar state rules.</p> <p>Please refer to <u>Items 11.A</u>, <u>11.B</u>, and <u>11.C</u>.</p>
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## Item 12 – Brokerage Practices

<p><b>Item 12.A.1</b></p>	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p><b>1. Research and Other Soft Dollar Benefits.</b> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <p><b>Note:</b> Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.</p> <ul style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</li> <li>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> </ul> <p><b>Note:</b> This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.</p> <ul style="list-style-type: none"> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</li> </ul> <p>In selecting brokers to be used in portfolio transactions, FountainCap’s general guiding principal is to obtain the best overall execution for each trade, which is a combination of price and other factors, such as execution. With respect to execution, FountainCap considers a number of judgmental factors, including, without limitation, the actual</p>
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	<p>handling of the order, the ability of the broker to settle the trade promptly and accurately, the financial standing of the broker, the ability of the broker to position stock to facilitate execution, FountainCap's past experience with similar trades and other factors that may be unique to a particular order. Recognizing the value of these judgmental factors, FountainCap may select brokers who charge a brokerage commission that is higher than the lowest commission that might otherwise be available for any given trade. FountainCap may not give consideration to sales of our Shares as a factor in selecting brokers to execute portfolio transactions. FountainCap may, however, place portfolio transactions with brokers that promote or sell our Shares so long as these transactions are done in accordance with the policies and procedures established by the Directors that are designed to ensure that the selection is based on the quality of the broker's execution and not on the broker's sales efforts.</p> <p>The Fund will maintain brokerage and custody arrangements with banks and other established financial institutions relating to execution, clearing and derivatives trading. FountainCap seeks to place portfolio transactions with brokers or dealers who will execute transactions as efficiently as possible and at the most favorable net price. In placing executions and paying brokerage commissions or dealer markups, FountainCap considers price, commission, timing, competent block trading coverage, capital strength and stability, research resources, and other factors. Under Section 28(e) of the U.S. Securities Exchange Act of 1934 and the Advisory Agreement, FountainCap is authorized to pay a brokerage commission in excess of what another broker might have charged for effecting the same transaction, in recognition of the value of brokerage and/or research services provided by the broker. The research received by FountainCap may include, without limitation: information on Greater China, Asia, and other world economies; information on specific industries, groups of securities, individual companies, political and other relevant news developments affecting markets and specific securities; technical and quantitative information about markets; analysis of proxy proposals affecting specific companies; accounting and performance systems that allow FountainCap to determine and track investment results; and trading systems that allow FountainCap to interface electronically with brokerage firms, custodians and other providers. Research is received in the form of written reports, telephone contacts, personal meetings, research seminars, software programs, and access to computer databases.</p> <p>The research and investment information services described above make available to FountainCap for its analysis and consideration the views and information of individuals and research staffs of other securities firms. Although this information may be a useful supplement to FountainCap's own investment information in rendering services, the value of this research and services is not expected to reduce materially the expenses of FountainCap in performing its services under the Advisory Agreement and will not reduce the management fees payable to FountainCap.</p> <p>Investments may be made in securities traded in the over-the-counter market. Transactions in the over-the-counter market are generally transactions with dealers and the costs of these transactions involve dealer spreads rather than brokerage commissions. Where possible, FountainCap will deal directly with the dealers who make a market in the securities involved except in those circumstances where better prices and/or execution are available elsewhere. When a transaction involves exchange listed securities, FountainCap considers the advisability of effecting the transaction</p>
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	with a broker which is not a member of the securities exchange on which the security to be purchased is listed or effecting the transaction in the institutional market.
<b>Item 12.A.2</b>	<p><b><u>Brokerage for <i>Client</i> Referrals.</u></b> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ul style="list-style-type: none"> <li>a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</li> <li>b. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ul> <p>Not applicable.</p>
<b>Item 12.A.3</b>	<p><b><u>Directed Brokerage.</u></b></p> <ul style="list-style-type: none"> <li>a. If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</li> <li>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</li> </ul> <p>Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.</p> <p>Not applicable.</p>
<b>Item 12.B</b>	<p><b>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</b></p> <p>In general, all FountainCap's Advisory Clients seeking to purchase or sell a given security at approximately the same time will be aggregated into a single order or series of orders to the extent permitted by law or an Advisory Client's specific instructions. FountainCap believes that aggregating trades generally benefits clients because larger orders tend to have lower execution costs, and FountainCap's Advisory Clients do not compete with one another trading in the market. When an aggregated order is filled, all</p>

	<p>participating Advisory Clients receive the price at which the order was executed. If, later, the participating Advisory Clients need to purchase or sell additional shares of the same security, or if additional Advisory Clients seek to purchase or sell the same security, then FountainCap will issue a new order and the Advisory Clients participating in the new order will receive the price at which the new order was executed. If an aggregated order is not entirely filled, FountainCap will allocate the purchases or sales among participating Advisory Clients in the manner it considers most equitable and consistent with its fiduciary obligations to all such Advisory Clients. Generally, partially filled orders are allocated pro rata based on the initial order submitted by each participating Advisory Client. In some instances, this investment procedure may adversely affect the price paid or received or the size of the position obtained or sold.</p>
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### **Item 13 – Review of Accounts**

<b>Item 13.A</b>	<p><b>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</b></p> <p>The Advisory Clients are under regular review by the Portfolio Management Team. A comprehensive portfolio review is held weekly. Such reviews include a review of existing investments, potential investments, the suitability of the investments used to meet policy objectives, cash availability, and investment objectives. The Portfolio Manager assesses, among other things, the risks and valuation of individual holdings.</p>
<b>Item 13.B</b>	<p><b>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</b></p> <p>Not applicable.</p>
<b>Item 13.C</b>	<p><b>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</b></p> <p>Fund Investors receive transaction statements each time a transaction occurs. In addition, Fund Investors receive annual audited financial statements of the Fund and the Fund's Master Fund within 120 days after the end of the relevant fiscal year and monthly statements of the unaudited Net Asset Value of Fund Investor's shares.</p>

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

<b>Item 14.A</b>	<p><b>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</b></p> <p>Not applicable.</p>
<b>Item 14.B</b>	<p><b>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</b></p> <p><b>Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.</b></p> <p>From time to time, FountainCap enters into referral agreements with unaffiliated broker-dealers, investment advisers or solicitors (together “Solicitors”) regarding the solicitation and referral of Advisory Clients for compensation. To the extent FountainCap enters into such referral agreements, FountainCap will compensate Solicitors for referral of Advisory Clients in accordance with Rule 206 (4)-3 under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”), as applicable. The compensation paid to any such Solicitor, if any, will typically consist of payments stated as a percentage of FountainCap’s management fees. Such a third party would agree to introduce Advisory Clients to FountainCap who would be qualified purchasers under the Investment Company Act.</p> <p>The structure of any such referral agreements, including the compensation, will be disclosed to Advisory Clients to the extent required by applicable law. Different Solicitors may receive varying amounts of compensation for their services.</p>

## **Item 15 – Custody**

**If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.**

FountainCap and its related persons are deemed to have custody of the Fund's assets pursuant to Advisers Act Rule 206(4)-2.

FountainCap provides Fund Investors with audited financial statements within 120 days of the end of the Fund's fiscal year (i.e., generally by April 30<sup>th</sup>). Fund Investors should carefully review such statements.

Fund's assets and securities are generally maintained with a qualified custodian. FountainCap may rely on an exception from the qualified custodian requirement with respect to certain privately offered securities.

The qualified custodian utilized by FountainCap for the Master Fund is State Street Bank & Trust Company, One Lincoln Street, Boston, Massachusetts 02111. Advisory Clients are advised to carefully review their account statements and audited financial statements and should compare the account statements received from a qualified custodian with the audited financial statements received from FountainCap.

FountainCap does not have custody of any other Sub-Advisory Funds' or client' assets.

## **Item 16 – Investment Discretion**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

FountainCap has discretionary authority to manage securities accounts on behalf of its Advisory Clients. FountainCap is authorized to make purchase and sale decisions for Advisory Clients. As explained in Item 4.C above, individual Investors in the Funds do not have the ability to impose limitations on FountainCap's discretionary authority. Prospective Investors in the Funds are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all supplements and other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors in the Fund must execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. The subscription agreements constitute a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms.

## **Item 17 – Voting Client Securities**

<b>Item 17.A</b>	<p><b>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</b></p> <p>FountainCap understands and appreciates the importance of proxy voting. To the extent that FountainCap has discretion to vote proxies on behalf of Advisory Clients, FountainCap will vote any such proxies in the best interests of the Advisory Clients and Investors (as applicable) and in accordance with set compliance procedures.</p> <p>All proxies received on behalf of the Advisory Clients will be provided to the Portfolio Manager. Prior to voting any proxies, the Chief Compliance Officer will determine if there are any conflicts of interest related to the security in question. In the absence of a conflict of interest, FountainCap will generally vote “for” routine proposals, such as the election of directors, approval of auditors and amendments or revisions to corporate documents to eliminate outdated or unnecessary provisions. Unusual or disputed proposals will be reviewed and voted on a case-by-case basis. In any such unusual cases or if a conflict is identified, FountainCap will identify the conflicts and make a determination of the best course of action. In the event of a conflict of interest, FountainCap may delegate the voting decision for such proxy proposal to an independent third party or delegate the voting decision to an independent committee of partners, members, directors or other representatives of the Client, as applicable. .</p> <p>Generally, the Chief Compliance Officer is responsible for ensuring that the proxy is voted on and submitted in a timely manner. FountainCap keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions (such as the proxy voting worksheet) and each client request for proxy voting records and FountainCap’s response. Advisory Clients and Investors may obtain information related to FountainCap’s proxy voting by contacting the Chief Compliance Officer, Andriy Chu at +852 2170 3318 or andriy.chu@fountaincapri.com.</p>
<b>Item 17.B</b>	<p><b>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</b></p> <p>Not applicable.</p>

## **Item 18 – Financial Information**

<b>Item 18.A</b>	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"><li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li><li>2. Show parenthetically the market or fair value of securities included at cost.</li><li>3. Qualifications of the independent public accountant and any accompanying independent public accountant’s report must conform to Article 2 of SEC Regulation S-X.</li></ol> <p><b>Note:</b> If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.</p> <p><b>Note:</b> If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.</p> <p><b>Exception:</b> You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.</p> <p>Not applicable.</p>
<b>Item 18.B</b>	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p><b>Note:</b> With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.</p> <p>FountainCap is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Advisory Clients.</p>
<b>Item 18.C</b>	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable.</p>