

**NEUMANN ADVISORY HONG KONG LIMITED**

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Central, Hong Kong**

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This brochure provides information about the qualifications and business practices of Neumann Advisory Hong Kong Limited (“**NAHKL**” or the “**Firm**”). If you have any questions about the contents of this brochure, please contact us at +852 39564336 or email at [cl@neumannadvisors.com](mailto:cl@neumannadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

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

Additional information about NAHKL is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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This is NAHKL's initial brochure filing. Any material change relating to the information contained in this brochure will be reflected in subsequent filings.

**Item 3: Table of contents**

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## Item 4: Advisory Business

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### Advisory Firm

Neumann Advisory Hong Kong Limited (“**NAHKL**” or the “**Firm**”) is a company domiciled in Hong Kong, Special Administrative Region, incorporated on February 11, 2015. The Firm acts as the investment adviser and provides investment advisory services to private investment funds. The Firm is 100% owned by Neumann Advisors (“**NA Cayman**”), which in turn is 100% owned by Neumann Group Limited (“**NGL BVI**”), which is wholly owned and controlled by the founder, director and chief executive officer / chief investment officer, Fei Zhang (“**Mr. Zhang**”). Mr. Zhang also serves as a director of the Fund (as defined below).

NAHKL acts as the investment manager of Neumann Capital, an exempted company incorporated with limited liability company under the laws of the Cayman Islands (the “**Master Fund**”) and of its Non-U.S Feeder Fund, Neumann Capital Feeder A, and U.S. Feeder Fund, Neumann Capital Feeder B, both of which are also an exempted company incorporated with limited liability company under the laws of the Cayman Islands (both the “**Feeder Funds**”, and together with the Master Fund, the “**Fund**”). The Firm provides discretionary investment advisory services to the Fund in its capacity as the investment adviser of the Fund.

No registration statement has been or will be filed with the U.S. Securities and Exchange Commission (the “**SEC**”) or any state securities authority with respect to any offering of the Fund. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) or the securities laws of any of the states of the United States. Furthermore, the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “**1940 Act**”) since Shares will only be sold to US Persons who meet the status of “qualified purchasers”, as defined in the 1940 Act. Each subscriber for Shares that is a US Person will be required to certify that it is an “accredited investor” and a “qualified purchaser”, in each case as defined under applicable US federal securities laws, thereby also qualifying as a “qualified eligible person” as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended (the “**CEA**”).

With this initial filing, the Firm is seeking registration with the SEC as an investment adviser because it anticipates that it may engage in activities that will qualify for registration.

### Types of Services Offered

The principal activity of the Firm is to provide discretionary investment management services including investment advisory services, focusing on investments globally across a range of asset classes with no limits to any geographical area or industry sector, but will invest primarily in listed equities. The Firm may also invest in unlisted equities, including late stage private investments and private investments in public equities, on an ancillary basis.

The Firm provides investment advisory services to the Fund based on specific investment objectives and strategies. The Fund’s offering documents (as amended and supplemented from time to time) set forth the investment guidelines and/or the types of investments in which the assets of the Fund may invest.

Together with its affiliates, the Firm may also provide investment advisory services to separately managed accounts (“**SMAs**”).

**Ability to Tailor Services and Impose Restrictions**

The investment objectives and strategy for the Fund are described in the Fund's offering documents. The Firm provides investment management and advisory services to the Fund, pursuant to the Sub-Investment Management Agreement, based on the specific investment objectives and strategies of the Fund and does not provide services individually to investors in the Fund (the "**Investors**"). Since the Firm does not provide tailored advice to the Investors, the Investors should consider whether the Fund's investment strategies are in line with their risk tolerances. The Fund may from time to time enter into side letter agreements or other similar agreements ("**Side Letters**") providing Investors with additional and/or different rights and benefits.

**Wrap Fee Programs**

The Firm does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

**Client Assets**

As of March 31, 2020, the Firm had approximately US\$ 239,480,000 regulatory assets under management, all of which it manages on a discretionary basis.

The performance of the Fund and SMAs will be reported, fees will be calculated, and all subscriptions and redemptions will be transacted, in US dollars (US\$).

## Item 5: Fees and Compensation

The Firm will receive payment from NA Cayman for providing sub-advisory services to the Fund. The sub-advisory fees payable to the Firm by NA Cayman represent a portion of the fees received by NA Cayman from the Fund. The fees, compensation, and expenses as applicable to the Fund are set forth in detail in their respective Governing Agreements.

### Management Fee

Investors in the Fund are charged a fee for investment management services based on assets under management (the “**Management Fee**”), which is set forth in the Fund’s offering documents. The management fee is calculated based on the following formulae.

The “**Management Fee Rate**” is a percentage that changes depending upon the aggregate Net Asset Value of the Fund together with the net asset value of any collective investment scheme and managed accounts managed by the Firm which pursue an identical or similar investment strategy to the Fund (“**Total AUM**”) as of the first day of each calendar month as set forth in the table below:

Total AUM	Management Fee Rate	Formula
Less than or equal to \$100 million	2%	
More than \$100 million and less than or equal to \$200 million	Blended rate between 2% and 1.9%	The sum of (a) $2\% \times (\$100 \text{ million} / \text{Total AUM})$ plus (b) $1.8\% \times ((\text{Total AUM} \text{ minus } \$100 \text{ million}) / \text{Total AUM})$ .
More than \$200 million and less than or equal to \$300 million	Blended rate between 1.9% and 1.8%	The sum of (a) $1.9\% \times (\$200 \text{ million} / \text{Total AUM})$ plus (b) $1.6\% \times ((\text{Total AUM} \text{ minus } \$200 \text{ million}) / \text{Total AUM})$ .
More than \$300 million and less than or equal to \$400 million	Blended rate between 1.8% and 1.7%	The sum of (a) $1.8\% \times (\$300 \text{ million} / \text{Total AUM})$ plus (b) $1.4\% \times ((\text{Total AUM} \text{ minus } \$300 \text{ million}) / \text{Total AUM})$ .
More than \$400 million and less than or equal to \$500 million	Blended rate between 1.7% and 1.6%	The sum of (a) $1.7\% \times (\$400 \text{ million} / \text{Total AUM})$ plus (b) $1.2\% \times ((\text{Total AUM} \text{ minus } \$400 \text{ million}) / \text{Total AUM})$ .
More than \$500 million and less than or equal to \$600 million	Blended rate between 1.6% and 1.5%	The sum of (a) $1.6\% \times (\$500 \text{ million} / \text{Total AUM})$ plus (b) $1.0\% \times ((\text{Total AUM} \text{ minus } \$500 \text{ million}) / \text{Total AUM})$ .
More than \$600 million and less than or equal to \$700 million	Blended rate between 1.5% and 1.4%	The sum of (a) $1.5\% \times (\$600 \text{ million} / \text{Total AUM})$ plus (b) $0.8\% \times ((\text{Total AUM} \text{ minus } \$600 \text{ million}) / \text{Total AUM})$ .

More than \$700 million and less than or equal to \$800 million	Blended rate between 1.4% and 1.3%	The sum of (a) $1.4\% \times (\$700 \text{ million} / \text{Total AUM})$ plus (b) $0.6\% \times ((\text{Total AUM} \text{ minus } \$700 \text{ million}) / \text{Total AUM})$ .
More than \$800 million and less than or equal to \$900 million	Blended rate between 1.3% and 1.2%	The sum of (a) $1.3\% \times (\$800 \text{ million} / \text{Total AUM})$ plus (b) $0.4\% \times ((\text{Total AUM} \text{ minus } \$800 \text{ million}) / \text{Total AUM})$ .
More than \$900 million and less than or equal to \$1 billion	Blended rate between 1.2% and 1.1%	The sum of (a) $1.2\% \times (\$900 \text{ million} / \text{Total AUM})$ plus (b) $0.2\% \times ((\text{Total AUM} \text{ minus } \$900 \text{ million}) / \text{Total AUM})$ .
More than \$1 billion	Blended rate between 1.1% and 0%	$1.1\% \times (\$1 \text{ billion} / \text{Total AUM})$

The management fee for any period shall be calculated and payable in advance on the first Business Day of each calendar month and will be an amount equal to the product of (i) the Net Asset Value of Class A Shares, Class B Shares and Class S Shares before deduction of the management and performance fee, if any, as at the last Valuation Day in preceding calendar month, (ii) the Management Fee Rate and (iii) 8.33%. This fee is payable monthly in advance and on a pro rata basis for any shorter period, including on termination of the Investment Management Agreement (i.e., NA Cayman will refund a portion of the Management Fee to the relevant Share Classes proportionately if it does not serve as the Investment Manager for the entire pre-paid calendar month). The management fee calculated as at each Valuation Day is to be payable within 30 calendar days of the end of the calendar month within which such Valuation Day falls.

A particular class of shares or interests available to employees is not subject to a Management Fee.

The Fund may from time to time enter into Side Letters providing for, but not limited to, changes in management fees.

### Performance Based Compensation

In addition to Management Fees, NA Cayman is entitled to receive performance based compensation in the form of a performance fee or performance allocation (the “**Performance Fee**”) at the end of each Performance Period, which is set forth in the Fund’s offering documents. The Firm will be remunerated by NA Cayman from the Performance fee it receives from the Fund. The Performance Fee payable in respect of Class A Shares and Class B Shares will be equal to 20% of the net increase during the Performance Period in the Net Asset Value per Share of the relevant Share Class held by such Shareholder, (subject to certain exceptions and adjustments).

A “Performance Period” in respect of each Share Class means the period beginning on the first day following the end of the last Performance Period in respect of such Share Class or, in the case of the first Performance Period in respect of the relevant Share Class, the last day of the Initial Offer Period in respect of the relevant Share Class, and ending on the earliest of:

- (a) the close of business on the next 31 December;

- (b) the dates of any redemptions of Shares of the relevant Share Class, provided the Performance Period shall end on a Redemption Day only as to the Shares of the relevant Share Class redeemed on such Redemption Day; or
- (c) the date on which the Fund or such Share Class terminates.

For the purposes of the calculation of Performance Fees, a transfer of Shares or an exchange of Shares into Shares of a different Share Class in the Fund will be treated as if there were a redemption of such Shares by the transferor or exchanging Shareholder and a subscription (at the most recent Net Asset Value applicable) for such Shares by the transferee or exchanging Shareholder, as appropriate, on the date of the transfer or exchange. Notwithstanding the foregoing, in the event that the beneficial ownership of the relevant Shares does not alter on a transfer, a Performance Fee will not be charged with respect to such Shares.

No Performance Fee is payable for employee Class Shares.

### **Adjustments**

If an investor purchases Class A Shares or Class B Shares at a time when the Net Asset Value per Share of the relevant Share Class is not equal to the greater of:

- (a) the Net Asset Value per Share of that Share Class at the last date when a Performance Allocation, other than a Performance Allocation Redemption (as defined below), was accrued on that Share Class; and
- (b) the Initial Issue Price of Shares of that Share Class,

(the greater of (a) and (b) being the (“**Peak Net Asset Value per Share**”), the Fund will adjust the amounts paid by the investor in connection with purchasing the Shares, as outlined below.

These adjustments are necessary to ensure that:

- (a) only to those Shares which have appreciated in value since their acquisition will be subject to the Performance Allocation;
- (b) all Shares in a Share Class will have the same Net Asset Value per Share; and
- (c) all Shareholders will have the same amount of capital per Share of a Share Class at risk in the Fund.

### Deficit Subscriptions

If an investor subscribes for Class A Shares or Class B Shares at a time when the Net Asset Value per Share of the relevant Share Class (the “**Deficit Subscription Price**”) is less than the Peak Net Asset Value per Share of the relevant Share Class (a “**Deficit Subscription**”), the investor will be required to pay a performance fee with respect to any subsequent increase in the Net Asset Value per Share of such Share Class. A performance fee will be imposed with respect to any increase in the Net Asset Value per Share of the relevant Share Class from the Deficit Subscription Price to the Peak Net Asset Value per Share at the time of the Deficit Subscription by redeeming an amount of Shares of the relevant Share Class equal to 20% of any such increase (a “**Performance Fee Redemption**”) and applying the redemption proceeds in satisfaction of the performance fee.



The purpose of the Performance Fee Redemption is to ensure that a Shareholder pays a performance fee on the increase in the Net Asset Value per Share of the relevant Share Class from the Deficit Subscription Price to the Peak Net Asset Value per Share of the relevant Share Class at the time of the Deficit Subscription. With respect to any increase in the Net Asset Value per Share of the relevant Share Class in excess of the Peak Net Asset Value per Share of the relevant Share Class at the time of the Deficit Subscription, a performance fee will be calculated and levied in the ordinary fashion.

Premium Subscriptions

If an investor subscribes for Class A Shares or Class B Shares (“**Premium Shares**”) at a time when the Net Asset Value per Share of the relevant Share Class before accrual of any performance fee (the “**Premium Subscription Price**”) exceeds the Peak Net Asset Value per Share of the relevant Share Class (a “**Premium Subscription**”), the investor will be required to pay, in addition to (but separate from) the Subscription Price for such Premium Shares, an amount (an “**Equalisation Credit**”) equal to 20% of the difference between:

- (a) the Premium Subscription Price; and
- (b) the Peak Net Asset Value per Share of the relevant Share Class at the time of such subscription.

The Equalisation Credit serves as a credit against performance fees that might otherwise be payable but which should not, in equity, be charged against the investor holding the Premium Shares because, as to the Premium Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all Shareholders of the relevant Share Class have the same amount of capital at risk per Share in such Share Class. The Equalisation Credit is invested in the same Share Class as the Premium Shares and accordingly increases or decreases to reflect the performance of such Share Class, provided that in no case will it be increased beyond its original amount. Premium Shares will only be charged a performance fee to the extent that there are increases in the Net Asset Value per Share of the Premium Shares above their Premium Subscription Price.

If the Net Asset Value per Premium Share as at any Valuation Day has declined below the Premium Subscription Price, the Equalisation Credit for such Premium Shares will be reduced by an amount equal to 20% of the difference between the Net Asset Value per Premium Share (before accrual of any performance fee) at the date of issue and as at that Valuation Day. Conversely, the Equalisation Credit will be increased to reflect subsequent increases in the Net Asset Value per Share of those Premium Shares so as to recapture any reduction in the Equalisation Credit, provided that in no case will the Equalisation Credit be increased beyond its original amount. At the end of each Performance Period, if the Net Asset Value per Share of the Premium Shares (before accrual of the performance fee) exceeds the prior Peak Net Asset Value per Share of the relevant Share Class, then that portion of the Equalisation Credit equal to 20% of such excess, multiplied by the number of Premium Shares held by such investor, will be applied to purchase additional Shares of the relevant Share Class for such investor. Additional Shares will continue to be so purchased at the end of successive Performance Periods until the Equalisation Credit, as it may have appreciated or depreciated after the Premium Subscription, has been fully applied.

If an investor redeems Premium Shares before the Equalisation Credit has been fully applied, the remaining Equalisation Credit in respect of the Premium Shares redeemed will be paid to such Shareholder without interest.

**Fee Rebates**

NA Cayman may rebate part of its respective fees to intermediaries approved by it in its discretion in accordance with applicable laws. Further, NA Cayman may rebate to any investor any proportion of the fees that it receives from the Fund and may differentiate between investors in relation to the amount of such rebates.

**Prime Brokerage Fees**

The Fund is responsible for paying any and all prime brokerage fees, as agreed between the Fund and the Prime Brokers from time to time. The fees charged by the Prime Brokers for prime brokerage services will not exceed normal commercial rates and will be based on a combination of transaction charges and interest costs. Prime Brokers may charge interest on debit balances at a rate agreed with the Fund. The level of fees may change by agreement between the Fund and the relevant Prime Broker.

**Administrator Fees**

The Administrator will be remunerated by the Fund at a variable rate by reference to the Net Asset Value of the Fund, payable monthly in arrears subject to a minimum flat monthly fee. The Administrator is entitled to reimbursement of its reasonable costs and expenses incurred on behalf of the Fund and is entitled to additional remuneration in respect of exceptional matters in such amount as may be agreed between the Fund and the Administrator.

Fees payable to the Administrator by the Fund may be subject to review from time to time, subject to any amended fee being at normal commercial rates.

**Initial Expenses**

Organizational expenses of the Fund and the costs incurred in connection with the initial issuance of Shares, including legal and accounting fees, document production and printing costs, regulatory and other filing fees, and other related expenses, are paid by the Fund. Each Shareholder will pay its proportionate share of the organizational costs of the relevant Feeder Fund and will also indirectly pay the organizational costs of the Master Fund.

Such Organizational Expenses are expected to be amortized by the Fund for financial reporting purposes over a period of up to 60 months or as otherwise determined by the Board of the Fund from the date on which the Fund commences business. The directors of the Fund believe that amortizing such expenses is more equitable than expensing the entire amount during the first year of operations, as is required pursuant to International Financial Reporting Standards (“IFRS”), and also conforms to industry standards. However, in order to conform to IFRS, the Board of the Fund may decide to make IFRS conforming changes for financial reporting purposes, but amortize expenses for purposes of calculating the Fund’s NAV. There will be a divergence between, (i) the fiscal year-end NAV of the Master Fund and of its Feeder Funds, and (ii) the NAV reported in the Master Fund and its Feeder Funds’ financial statements in any year where IFRS conforming changes are made only to the Master Fund and Feeder Funds’ financial statements for financial reporting purposes. If the Master Fund or any Feeder Fund is terminated within 60 months of its commencement of business, any unamortized expenses will be recognized. If a Shareholder redeems all or part of its Shares prior to the end of the 60 month period during which the Fund is amortizing expenses, the Board may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being redeemed and reduce redemption proceeds by the amount of such accelerated expenses.

**Special Investment Shares and Illiquid Investment Shares**

According to the Fund Offering Memorandum, the Board and the board of directors of the Fund have the authority to establish additional Share Classes to segregate existing assets that are initially classified by the Firm as liquid investments but are subsequently reclassified by the Firm as illiquid, restricted or difficult to value (“**Special Investments**”) from the other assets of the Fund, subject to certain restrictions. The Fund may also pursue investment opportunities which are classified by the Firm as illiquid, restricted or difficult to value at the time of the acquisition of such investments (“**Illiquid Investments**”). NA Cayman is entitled to receive Management Fees and Performance Fees (if any) in respect of Special Investment Shares or Illiquid Investment Shares. For a complete description of the Management Fee Rate and Performance Fee of Special Investment Shares and Illiquid Investment Shares, please refer to the Fund offering memorandum which can be provided upon request.

**Other Costs and Expenses**

The Fund pays various ongoing expenses incurred in the business and operations of the Fund, including but not limited to, accounting, auditing, tax preparation, legal, administration, research, compliance, custody, insurance premiums, banking fee, any issue or transfer taxes chargeable in connection with any securities transactions, Directors’ fees (such as registration under The Directors Registration and Licensing Law, (as Amended)) and expenses, interest on borrowings, brokerage and trading costs, any regulatory registrations and/or filings of the Firm or its affiliates, governmental charges including licence and franchise charges and other similar filing fees.

Neither the Firm nor any of its supervised persons currently accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

**For a complete description of fees and expenses, please refer to the Fund offering memorandum which can be provided upon request. For clients with a SMA, please refer to the relevant IMA.**

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

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As discussed in **Item 5** above, the Firm generally will be entitled to receive performance-based compensation (the “**Performance Fee**”) in connection with investment advisory services provided to the client. The amount and calculation of the Performance Fee is described in the relevant Fund’s Private Placement Memorandum (“**PPM**”) or IMA for clients with a SMA.

The Performance Fee may vary among client accounts; therefore the Performance Fee arrangements does create or potentially exacerbate a conflict of interest between the Firm and the client, in that it creates an incentive for the Firm to recommend, trade and invest in investments that is intended to generate larger, short term profits, which could increase the risk present to clients at any given time. There may be an incentive to favour clients which pay a higher fee over other clients.

**Item 7: Types of Clients**

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The Firm currently provides delegated investment management and advisory services to the Fund through the Sub-advisory Agreement. Investors of the Fund primarily consist of institutional, corporate and individual investors. The Firm anticipates that it may also begin providing investment management and advisory services to a SMA in Q2 of 2020.

Investors in the Fund primarily consist of largely institutional and qualified investors which include, family offices, financial institutions, University Endowments, qualified/accredited individuals and employees.

The minimum initial subscription amount is (i) US\$200,000 for Class A Shares, (ii) US\$20,000,000 for Class B Shares, (iii) US\$100,000 for Class C Shares, and (iii) such amount as may be determined by the Fund Directors for Class S Shares, except that the Board, in its sole discretion, may permit lower initial investments (but not less than US\$100,000 or such minimum amount for exemption from the licensing requirements for mutual funds as may be prescribed under the laws of the Cayman Islands from time to time).

The minimum subsequent investment is generally US\$100,000, or a lesser amount as the Fund's Board may, in their sole discretion, permit.

Clients with SMAs will be required to enter into a separate IMA with the Firm or affiliate. The Firm or its affiliate may require a minimum account size, which will be determined on a case by case basis.

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

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**Investment Objective and Policy**

The investment objective of the Fund is to generate long-term risk-adjusted returns. In pursuing the Fund's investment objectives, the Firm will utilize various strategies to opportunistically allocate capital based on its views of existing and potential investment opportunities in particular markets. The Fund invests globally across a range of asset classes, but will invest primarily in listed equities. The Fund may also invest in unlisted equities, including late stage private investments and private investment in public equities, on an ancillary basis. There can be no assurance that the Fund will achieve its investment objectives.

**Investment Strategy and Process**

The Firm employs a variety of investment strategies in managing the Fund, and anticipates developing new strategies over time. There is no material limitation on the strategies the Firm may implement. Asset allocations among strategies are based on the Firm's on-going analysis of prevailing market conditions. The Fund focus on investments in listed securities of China related companies but its trading will not be limited to any geographical area or industry sector.

The initial investment strategy involves a traditional value investment strategy involving investment in public securities. The Firm seeks to invest the Fund's assets in undervalued mature companies, predominantly utilizing a buy and hold securities strategy, but may engage in short selling of securities from time to time.

The Fund may retain unlimited amounts of cash or cash equivalents pending reinvestment, for use as collateral. The Fund may also invest its excess funds in short term investments, including U.S. government securities, money market funds, commercial paper, certificates of deposit, bankers' acceptances and other cash equivalents.

The Fund may utilize leverage as part of the investment program. The amount of leverage will be determined by the Firm based on factors deemed relevant, such as market opportunities. Leverage may take the form of derivative instruments, which are inherently leveraged, trading on margin, direct and indirect borrowing, repurchase agreements and loans. The maximum amount of leverage that may be utilized by the Fund will be three times the net asset value of the Fund.

While the investment strategies outlined above are expected to be the initial core strategies, the Fund maintains the flexibility to allocate capital to a range of investment styles. The Fund may allocate capital to investment strategies based on what the Firm believes is most likely to deliver attractive risk-adjusted returns. There are no material limitations on the instruments, strategies, markets or countries in which the Fund may invest.

**Changes to the Investment Objective and Strategy**

The Firm may also formulate and implement new approaches to carry out the investment objective of the Fund.

Any material changes to the investment objective, strategy and policy and/or borrowing and leverage limits of the Fund may be made by the Board and the board of directors of the Fund on giving prior written notice to the Shareholders as the Board and the board of directors of the Fund consider reasonable to provide Shareholders with the opportunity to redeem on a Redemption Day (including additional Redemption Day declared by the Board and the board

of directors of the Fund) prior to the effective date of any such material changes. Any changes to the investment objective, strategy and policy and/or borrowing and leverage limits which are considered immaterial by the Board and the board of directors of the Fund will be notified to Shareholders as soon as reasonably practicable.

The description above is general and is not intended to be exhaustive. Investors must recognise that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality and subjectivity of such processes. In addition, the description of virtually every strategy must be qualified by the fact that investment approaches are continually changing, as are the markets invested in by the Fund.

Investment in the Fund is a highly speculative investment in the Fund and is not intended as a complete investment program. It is designed only for sophisticated persons who can bear the economic risk of the loss of their investment in the Fund and who have a limited need for liquidity in their investment. There is no guarantee of a specific or minimum level of investment performance, or of a particular rate of return on capital. There can be no assurance that the Firm and/or the Fund will achieve its investment objective. Therefore, it is possible that a client may lose a substantial proportion or all of its assets in connection with investment decisions made by the Firm.

### **Risk Factors**

The following is a discussion of risk factors for the Firm's investment strategies and investment in the Fund, but it does not purport to be a complete explanation of all the risks involved, but rather highlights some of the more significant risks involved. Clients should refer to the Fund offering documentation or IMA (as applicable) for further information of the Fund's investment strategies and their associated risks. Investors and prospective investors are encouraged to read the Fund's offering documents and consult with their own advisers before deciding whether to invest in the Fund or setup a SMA with the Firm. Investments should only be made if the nature of investments and risks of investment are understood.

#### Market and Investment Risks

**Investment and Trading Risks:** an investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund's investment programme will be successful. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Fund. In addition, the value of the Fund's portfolio may fluctuate as the general level of interest rates fluctuate.

**Competition; Availability of Investments:** certain markets in which the Fund may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that the Firm will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of companies organized to make such investments, which may result in increased competition to the Fund in obtaining suitable investments.

**Developing Country Securities and Currencies:** the Fund's investments may include securities of issuers in developing countries, derivative foreign currency transactions and active long and short positions through exchange traded and over-the-counter currency transactions in developing countries. Investments in developing country securities and currencies entail certain risks. There may be a possibility of nationalization or expropriation of assets, confiscatory taxation, political or financial instability and diplomatic developments that could

affect the value of investments in certain developing countries. Since developing country securities normally are denominated and traded in currencies other than U.S. Dollars, the value of the Fund's assets may be affected by currency exchange rates, currency exchange control regulations, withholding taxes and restrictions or prohibitions on the repatriation of currencies. There may be less information publicly available about an issuer in a developing country than about an issuer in a developed country, and issuers in developing countries are often not subject to accounting, auditing and financial reporting standards and practices comparable to those in developed countries. The securities of some issuers in developing countries are less liquid and at times more volatile than securities of comparable issuers in developed countries. Settlement procedures and trade regulations in developing countries may involve certain risks (such as delay in payment or delivery of securities or in the recovery of assets held abroad) and expenses not present in the settlement of investments in developed countries. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income received by the Fund from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by the Fund will reduce its net income or return from such investments. While the Firm will take these factors into consideration in making investment decisions for the Fund, no assurance can be given that the Firm will be able to fully avoid these risks.

Expenses may be incurred on currency exchanges when the Firm changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of developing countries' laws to developing countries' custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in developing countries' jurisdictions.

If the Fund purchases securities denominated in currencies other than U.S. Dollars or invests directly in such currencies, a change in the value of any such currency against the U.S. Dollar will result in a change in the U.S. Dollar value of its assets. Currency rates for currencies other than U.S. Dollars may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, and intervening (or the failure to intervene) by governments or central banks, or by currency control or political developments. Since securities often are purchased with and payable in local currency, the value of these assets as measured in U.S. Dollars may be affected favourably or unfavourably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when changing investments from one country to another.

Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments.

**Credit Analysis and Credit Risk:** the strategies utilized by the Firm may require accurate and detailed credit analysis of issuers and there can be no assurance that its analysis will be accurate or complete. The Fund may be subject to substantial losses in the event of credit deterioration or bankruptcy of one or more issuers in its portfolio.

**Fundamental Analysis:** the identification of investment opportunities in undervalued and overvalued securities is a difficult task, and there are no assurances that such opportunities



will be successfully recognized or acquired. While investments in undervalued and overvalued securities offer opportunities for high or above market capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

**Equity Securities Generally:** the Fund will predominantly invest in equity and equity-related securities. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Firm's expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. The Fund also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering or otherwise qualifying restricted securities for public resale.

**Convertible Securities:** the Fund may invest in convertible securities, being equities, bonds, debentures, preferred stocks or other securities that may be converted into or exchanged for a specified fixed or variable amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is influenced principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required, depending on the terms of the security, to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to meet its investment objective.

**Currency Transactions:** the Fund may buy or sell currencies, deal in forward foreign currency contracts, currency futures contracts and related options and options on currencies. The Fund may use such currency instruments for any purpose, including for investment, hedging or currency risk management. Forward currency contracts are contracts between two parties to purchase and sell a specific quantity of a particular currency at a specified price, with delivery and settlement to take place on a specified future date. Currency futures contracts are contracts to buy or sell a standard quantity of a particular currency at a specified

future date and price. Options on currency futures contracts give their holder the right, but not the obligation, to buy (in the case of a call option) or sell (in the case of a put option) a specified currency futures contract at a fixed price during a specified period. Options on currencies give their holder the right, but not the obligation, to buy (in the case of a call option) or sell (in the case of a put option) a specified quantity of a particular currency at a fixed price during a specified period.

Currency transactions involve significant risk: currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the exchange markets, the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably as a result of intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments, including repatriation limitations. The Fund's exposure to non-U.S. Dollar currencies means that a change in the value of any such currency against the U.S. Dollar will result in a change in the U.S. Dollar value of the Fund's assets.

As the Fund's base currency is the U.S. Dollar, each Shareholder, and not the Fund, will bear the risk of any foreign currency exposure resulting from differences, if any, in the value of the U.S. Dollar relative to the currency of the country in which such Shareholder resides or maintains its net worth.

**Special Tax Considerations Apply to Securities:** income and/or gains received from sources in certain jurisdictions may be reduced by withholding and other taxes imposed by such countries. Any such taxes will reduce the value of the Shareholders' investments. Investors are urged to consult their own tax advisers regarding the applicability of any tax conventions between their home tax jurisdiction and the relevant jurisdiction.

**Legal Risk:** many of the laws that govern private investment, securities transactions, creditors' rights and other contractual relationships, particularly in developing countries, are new and largely untested. As a result, the Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations.

**Systemic Risk:** world events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the Fund losing substantial value caused predominantly by liquidity and counterparty issues which could result in the Fund incurring substantial losses.

**General Economic Conditions:** the success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equities and interest-sensitive instruments. Unexpected volatility or illiquidity in the markets in which the Fund holds positions could cause the Fund to incur losses.

**Governmental Intervention:** it is impossible to predict with certainty what interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Firm's ability to implement the Fund's investment objective. However, the Firm believes that there is a likelihood of increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the

performance of investment vehicles employing strategies generally similar to that of the Fund (including the Fund).

**Credit Risk:** credit risk relates to the ability of the issuer to make payments of principal and interest. Obligations of issuers are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. Credit risk is particularly acute for lower rated securities, for unrated securities and for certain government securities. Fixed income securities are also subject to the risk of a decline in the value of the denominating currency. Lower rated securities are considered predominantly speculative with respect to the ability of the issuer to meet principal and interest payments. Credit risk includes the risk that a counterparty or an issuer of securities or other financial instruments will be unable to meet its contractual obligations and fail to deliver, pay for, or otherwise perform a transaction. Credit risk is incurred, for example, when the Firm engages in principal-to-principal transactions outside of regulated exchanges, as well as in transactions on certain exchanges that operate without a clearinghouse or similar credit risk-shifting structure. In recent years, several prominent financial market participants have failed or nearly failed to perform their contractual obligations when due – creating a period of great uncertainty in the financial markets, government intervention in certain markets and in certain failing institutions, severe credit and liquidity contractions, early terminations of transactions and related arrangements, and suspended and failed payments and deliveries.

**Use of Leverage:** the Fund may employ leverage including, without limitation, through borrowing cash, securities and other instruments and entering into derivative transactions. The amount of leverage utilised by the Fund will not exceed three times the net asset value of the Fund. The Fund may pledge or grant charges or other security over its assets as security for borrowings, and may also borrow for the purposes of satisfying redemption requests or paying expenses, if required.

**Hedging:** the Fund may utilize various financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and/or changes in interest rates, (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date or (vii) for any other reason that the Firm deems appropriate. However, the relevant target markets may not present the Firm with applicable financial instruments and securities to permit the Firm to adequately hedge the Fund's portfolio. There is no assurance that such risk management and hedging strategies will be successful.

The success of the Fund's hedging strategy will be subject to the Firm's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Firm's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, the Firm may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

In certain transactions, the Fund may not be “hedged” against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated. The Firm may not hedge a position in the Fund’s portfolio because a hedge may not be available; it may be too costly in light of the likelihood of the possible risk actually occurring or the risk simply could not be reasonably anticipated.

**Broker Risk:** the Fund’s assets may be held in one or more accounts maintained for the Fund by its Prime Brokers or other brokers or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The Prime Brokers, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Fund’s assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Fund’s assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of the Prime Brokers, another broker or a clearing corporation, it is impossible further to generalize about the effect of the insolvency of any of them on the Fund and its assets. Investors should assume that the insolvency of the Prime Brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Fund’s assets or in a significant delay in the Fund having access to those assets.

**Cybersecurity Risks:** the Firm’s information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm and/or the Fund may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm’s and/or the Fund’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Firm’s and/or the Fund’s reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Risks associated with the Fund

**Dependence on Mr. Zhang Fei, Fisher and other key personnel:** Fund Investors, in such capacity, have no authority to make decisions on behalf of the Fund. The success of the Fund depends upon the ability of Mr. Zhang and other key personnel of the Firm to develop and implement investment strategies that achieve the Fund’s investment objective. If the Fund were to lose the services of Mr. Zhang, this may have a material adverse effect on the business of the Fund and lead to the premature termination of the Fund.

**Shares are Illiquid:** because of the limitations on redemptions and transfers, an investment in the Fund is relatively illiquid and involves a high degree of risk. A subscription for Shares should be considered only by sophisticated investors financially able to maintain their investment and who can afford to lose all or a substantial part of such investment. There is no public market for Shares.

**Transaction Execution and Costs:** As the Firm expects to actively manage the Fund's portfolio, purchases and sales of investments may be frequent and may result in higher transaction costs to the Fund. In addition, in many cases relatively narrow spreads may exist between the prices at which the Fund will purchase and sell particular positions. The successful application of the Fund's investment strategy will therefore depend, in part, upon the quality of execution of transactions, such as the ability of broker-dealers to execute orders on a timely and efficient basis. Although the Fund will seek to utilize brokerage firms that will afford superior execution capability to the Fund, there is no assurance that all of the Fund's transactions will be executed with optimal quality. Furthermore, due to the degree of trading, total commission charges and other transaction costs may be expected to be high.

**Business and Regulatory Risks of Hedge Funds:** it is possible in the future that the regulatory environment for hedge funds and their managers could change. This could result in new laws or regulations that could, for example, impose restrictions on the operation of the Fund, the Firm and their respective affiliates; impose disclosure or other obligations on those entities; or restrict the offering, sale or transfer of Shares. Accordingly, any such laws or regulations could adversely affect the investment performance of the Fund or its access to additional capital, create additional costs and expenses for the Fund or otherwise have an adverse impact on the Fund and its Shareholders. The SFC, SEC, CFTC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory change on the Fund could be substantial and adverse.

**Increased Regulatory Oversight:** the financial services industry generally, and the activities of hedge funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Fund's and/or the Firm's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the Firm, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the time, attention and resources of the Firm from portfolio management activities.

In addition, it is anticipated that, in the normal course of business, the Firm's officers will have contact with governmental authorities, and/or be subjected to responding to questionnaires or examinations from such authorities.

**Economic, Political and Social Risks in China:** the Fund will invest in China related companies and, accordingly, may be subject to the economic, political and social development and risks in China. The value of the Fund's assets may be affected by uncertainties or changes in government policies, promulgation of foreign currency and monetary policies and tax regulations. Such measures may have associated impact on the economy of China. Furthermore, the Chinese government may from time to time adopt corrective measures to control the growth of the Chinese economy which may have an adverse impact on the performance of the Fund.

The Chinese government's regulatory and legal framework for capital markets and debt instruments is still developing as compared to the systems in place in more mature markets. Currently, China's financial markets, and individual financial institution participants, are undergoing a process of reform with the intention of increasing the liquidity of debt instruments, but this is expected to take some time and the effects of such reforms on the debt market as well as a whole remain to be seen. This may indirectly impact the investments of the Fund.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL OF THE RISKS INVOLVED IN THE INVESTMENT OF**

**THE FUND. POTENTIAL INVESTORS SHOULD READ THE FUND'S OFFERING MEMORANDUM IN ITS ENTIRETY BEFORE DETERMINING WHETHER TO SUBSCRIBE FOR SHARES.**

**Item 9: Disciplinary Information**

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The Firm and its affiliate have not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

**Item 10: Other Financial Industry Activities and Affiliations**

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**Broker-Dealer Registration Status**

None of the Firm or any of its management persons are registered as broker-dealers or registered representatives of broker-dealers, and no applications are pending to register the Firm or any of its management persons with the SEC as a broker-dealer or a registered representative of a broker-dealer.

**Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status**

The Firm is not registered as, and currently does not have any pending application to register as, a futures commission merchant (“**FCM**”), a commodity pool operator (“**CPO**”) or a commodity trading advisor (“**CTA**”) with the United States Commodity Futures Trading Commission (“**CFTC**”) and/or the National Futures Association (“**NFA**”).

The Firm has made exemption filings with the CFTC pursuant to CFTC Rules 4.13(a)(3).

**Hong Kong Securities and Futures Commission**

The Firm is licenced with the Hong Kong Securities and Futures Commission (“**SFC**”) to conduct Type 9, Asset Management, regulated activity.

**Other Material Relationships**

As mentioned above in Item 4, the Firm is 100% owned by Neumann Advisors (“**NA Cayman**”), which in turn is 100% owned by Neumann Group Limited (“**NGL BVI**”). NA Cayman holds the ordinary shares of the Fund. Together with NA Cayman, the Firm provides investment advisory services to the Fund. NGL BVI is a holding company only with no business dealings with NA Cayman or the Firm.

The Firm has been appointed by NA Cayman to provide investment advisory services and manage the investment activities of the Fund on discretionary basis, as per a Sub-Investment Advisory Agreement (“**IAA**”). NA Cayman is registered with the Cayman Islands Monetary Authority as a “Registered Person”.

Other than the above-mentioned relationships with NA Cayman and NGL BVI, the Firm does not have any other relationships or arrangements that are material to the Firm’s advisory business or to its clients. The Firm and any of its management persons do not have relationships with any of the following related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle; (iii) a futures commission merchant, commodity pool operator, or commodity trading advisor; (iv) a banking or thrift institution; (v) an accountant or accounting firm; (vi) a lawyer or law firm; (vii) an insurance company or agency; (viii) a pension consultant; (ix) a real estate broker or dealer; and (x) sponsor or syndicator of limited partnerships.

The Firm does not receive compensation directly or indirectly from other investment advisers and does not have business relationships with other investment advisers.



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

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### Code of Ethics

In order to address conflicts of interest, the Firm has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the “**Advisers Act**”) which is applicable to all of the Firm’s partners, officers, managers, members, and employees (collectively, “**Employees**”).

The Code of Ethics generally sets the standard of ethical and professional business conduct that the Firm requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code of Ethics sets forth the Firm’s policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that the Firm and each of its Employees owe to each client.

The Code of Ethics is circulated at least annually to all Employees, and each Employee at least annually must certify that he or she has received and followed the Code and any amendments thereto. The Firm will provide a copy of the Code of Ethics to any client or perspective free of charge, upon request.

### Participation or Interest in Client Transactions

The Firm serves as the investment adviser to the Fund. Employees, affiliate of the employees, and relatives of the employee may make investments in the Fund. The Firm may or may not receive any compensation from such investments from employees.

The Firm, its affiliates and employees have a financial interest in the Fund through an incentive allocation or a direct investment interest in the Fund. As such, the Firm could be considered to have recommended to Investors that they buy or sell securities or investments in which the Firm or a related person has some financial interest.

### Personal Account Dealing

All Employees of Firm and its affiliates must provide duplicate copies of brokerage statements to Compliance. These records are used to monitor compliance with the Firm’s Compliance Manual and Code of Ethics.

The personal account dealing policy requires that:

- trades are subject to a general 30-day minimum holding period;
- securities cannot be traded if they are on the Firm’s restricted list;
- a Covered Person (defined below) may not purchase a security in an initial public offering available to the Fund;
- the Chief Compliance Officer (“**CCO**”) will consider the volume of both personal and the Firm’s trading when reviewing trade preclearance requests to determine whether trading may affect market prices.

The policy extends to the trading of Employees and certain other persons who have a relationship with the Firm or its personnel (“**Covered Persons**”). Covered Persons must obtain written authorization from the CCO prior to purchasing, selling or transferring certain types of securities, or exercising any option which is traded on exchanges in certain markets.

Employees may not engage in any outside business activities or invest in private companies before obtaining authorisation from Compliance.

Any request for an exception under this policy must be submitted in writing to the CCO with sufficient information for consideration. A copy of the Compliance Manual will be provided upon request.

**Item 12: Brokerage Practices**

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**Best Execution**

In effecting securities transactions, the Firm and its affiliates will seek to obtain best execution of orders. In determining the broker or dealer to be used and the commission rates to be paid, the Firm and its affiliates will consider the utility and reliability of brokerage services, including execution capability and performance, financial responsibility, investment information, market insights, other research provided by such brokers, and access to analysts, management and idea generation. Accordingly, the commissions charged by any such broker may be greater than the amount another firm might charge if the Firm and its affiliates determine in good faith that the amount of such commissions is reasonable in relation to the value of the brokerage services and research information provided by such brokers.

**Trade Aggregation**

The aggregation of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients. The Firm's policy is to aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

**Trade Allocation**

The Firm's policy prohibits any allocation of trades in a manner that that would allow our proprietary accounts or clients to receive more favourable treatment than other clients.

**Principal Transactions / Cross Trades**

In a "principal transaction," an investment adviser, acting for its own account, buys a security from, or sells a security to, a client's account. The Firm does not engage in principal transactions. The Firm may engage in cross trades only if the transaction acts in the best interests of the client involved, and when the transaction is expressly permitted by the client. To the extent that any cross trade may be viewed as a principal transaction due to the ownership interest in the Fund or other client by the Firm and/or its Employees, the Firm will comply with the requirements of Section 206(3) of the Advisers Act.

**Soft Dollars**

The Fund may obtain products or services other than the execution of securities transactions from brokers in exchange for the direction of brokerage transactions of the Fund to the broker ("**Soft Dollars**"). The Soft Dollars may include products or services from brokers or other third parties (for example through commission sharing agreement) such as (without limitation) research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services and software incidental to the above soft dollars, clearing and custodian services and investment related publications. To the extent possible and appropriate, the Firm and its affiliates will use Soft Dollars for the benefit of the Funds but may also use the Soft Dollars for other investment funds, client accounts and proprietary accounts it may manage in the future.

The Firm will generally use reasonable best efforts to ensure that the use of Soft Dollars to pay for research products or services will fall within the safe harbour requirements of Section

28(e) of the Exchange Act. The Firm's soft dollar practice is disclosed in the relevant offering documentation.

**Item 13: Review of Accounts**

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**Review of Accounts**

The Fund and SMAs are reviewed and reconciled on a daily basis by the investment team to ensure that the structure and individual securities held are suitable and consistent with the objectives and strategies. In addition, the Firm's operations team also monitors the clients to help ensure conformity with investment objectives and guidelines. The Firm engages in active management and frequent transactions and, accordingly, performs daily trade and cash reconciliation.

The Firm has also engaged an independent administrator to prepare monthly unaudited investor statements reviewing the Fund's performance for the month.

**Reporting to Clients**

The Fund will prepare its annual financial statements in conformity with International Financial Reporting Standards ("**IFRS**") adopted by the International Accounting Standard Board. Any material differences between IFRS and the U.S. generally accepted accounting principles ("**GAAP**") will be reconciled to GAAP, and such reconciliations will be distributed to the Fund Investors. Copies of the audited financial statements will be issued to all Fund investors within 120 days of the Fund's fiscal year-end.

The Firm will prepare and issue an investor newsletter on a monthly basis. The administrator will issue monthly account statements to investors.

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

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Currently, neither the Firm nor its affiliates receive any economic benefit from anyone, other than its clients, for providing investment advice and other advisory services to clients. The Firm does not compensate third parties who provide referrals for advisory clients.

In the event of any third-party engagements, due diligence and background checks will be carried out prior to engagement to ensure that applicable regulatory registrations are in place and that they have adequate controls and procedures to monitor compliance with selling procedures and suitability requirements.

**Item 15: Custody**

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The Firm is subject to Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund or SMA because it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception”, which, among other things, requires that each Fund or SMA be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all Investors within 120 days of the end of its fiscal year, as discussed above.

**Item 16: Investment Discretion**

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The Firm possesses discretionary portfolio management authority over the Fund with respect to asset allocations and direct investments as per the sub-advisory agreements and offering documents in place.

The Firm has the authority to determine (i) the securities to be purchased and sold for the client account and (ii) the amount of securities to be purchased or sold for the client account.



**Item 17: Voting Client Securities**

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Where the Firm and its affiliate have responsibility for voting proxies, the Firm will take measures reasonably designed to ensure that they are voted in the best interest of its clients, which generally means voting with a view to enhancing the value of client securities. Financial interest of clients is the primary consideration in determining how their proxies should be voted. The Firm and its affiliate may also refrain from voting in certain circumstances.

The Firm and its affiliate generally also accept the authority to vote proxy or corporate actions on behalf of SMAs.

**Item 18: Financial Information**

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The Firm and its affiliate are not aware of any financial condition that is likely to impair its ability to meet contractual and fiduciary commitments to clients.

The Firm has not been the subject of a bankruptcy proceeding.

**Item 19: Requirements for State-Registered Advisers**

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Not applicable.