

Gavekal Capital Limited

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This Brochure provides information about the qualifications and business practices of Gavekal Capital Limited (“**Gavekal**”). If you have any questions about the contents of this Brochure, please contact us at +852-2869-8363 or email marco@gavekal.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.

In June 2013, Gavekal submitted its initial application as a registered investment adviser with the SEC. Registration as an Investment Adviser does not imply that Gavekal or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about Gavekal Capital Limited is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

Gavekal ceased and dissolved the Gavekal Asset Allocation UCITS Fund in July 2020. Gavekal then established the Gavekal China Onshore RMB Bond Fund in May 2020, as a sub fund of Gavekal UCITS Fund.

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Item 4 - Advisory Business

Our Firm

Gavekal Capital Limited (“**Gavekal**”, the “**Firm**” or “**we**”), is a company incorporated with limited liability in Hong Kong.

Principal Owners

Gavekal is wholly owned by two of its directors: Louis-Vincent Gave (75%) and Anatole Kaletsky (25%).

Hong Kong Regulatory Status

Gavekal is licensed with the Hong Kong Securities and Futures Commission (“**SFC**”) under Type 9 (asset management) to conduct business with professional investors only. As required by the SFC, Gavekal does not maintain direct custody over client funds or securities.

Client Types

Gavekal Capital Limited (the “**RIA**”) is a non-US domiciled, SEC registered investment adviser of two Irish domiciled open-ended UCITS umbrella unit trusts: (1) Gavekal UCITS Fund and (2) Gavekal Multi-Fund Plc, which together (the “**Funds**”) contain four sub-funds (three and one, respectively, the “**Sub-funds**”). The Sub-funds are offered to, will be offered to or have been offered to US investors, and two separately managed account clients for which Gavekal provides discretionary investment advisory and management services.

Types of Services Offered

The Firm provides investment advisory services to the Funds, the Sub-funds and the managed account clients. The investment guidelines and/or the types of investments in which the assets of the Sub-funds may be invested are set out in the Funds’ and the Sub-funds’ offering documents.

The Firm provides separately managed account services (“**Managed Account**”) to only qualified and institutional clients. Each client enters into a written investment management agreement (“**IMA**”) that sets out the nature of the discretion given to Gavekal and the investment restrictions applicable to the account.

The Firm manages the Managed Account, the Funds and the Sub-funds *pari passu*.

The Firm and its employees are not required to advise or manage client portfolios as its sole and exclusive function. The Firm and its employees may engage in other business activities and are only required to devote such time to managing the Funds, Sub-funds and Managed Account as deemed necessary to accomplish the purposes of its clients. For example, the Firm may act as the advisor or investment manager to other clients (including other funds) now or in the future.

As of 30 April 2021, Gavekal had approximately US\$2.7billion in assets under management, all of which is managed on a discretionary basis.

Investors in the Funds / Managed Account

The investors in the Funds and Sub-funds are expected to include all types of investors, including retail investors. Investors in the Funds and Sub-funds must meet other suitability requirements described below and in the relevant offering documents. With respect to US investors, such investors must meet the accredited investor and qualified purchaser level.

The below sets out the four Sub-funds that either have US investors, are offered to US investors or will be offered to US investors. The minimum investment amounts of the Sub-funds and Managed Account are as follows:

Gavekal China Fixed Income Fund: US\$50,000

Gavekal Asian Opportunities UCITS Fund:

Class A: US\$250,000

Gavekal Global Equities UCITS Fund: US\$20,000

Managed Account: US\$30 million

Gavekal Onshore RMB Bond Fund:

Class A: US\$10,000

Class B Distributing: US\$1,000,000

Ability to Tailor Services and Impose Restrictions

The investment objectives and strategies for the Funds and the Sub-funds are described in their offering documents. The Firm provides investment advisory services based on the specific investment objective and strategy of each of the Funds and the Sub-funds and, not individually to the investors in those funds. Therefore, Gavekal does not tailor its advisory services to the individual needs of any of the investors in the Funds and the investors may not impose restrictions on investing in certain securities or types of securities.

The investment objectives and strategies of Managed Account are described in the IMA. Gavekal may tailor the investment strategies and restrictions individually for Managed Account clients.

Item 5 - Fees and Compensation

Investors in the Funds and the Sub-funds

The annual management fee, accrued and payable monthly in arrears, is calculated on the proportion of the Net Asset Value (“**NAV**”) of the Sub-funds attributable to the relevant share class. The Manager of the Funds and Sub-funds (“**Manager**”), Gavekal Fund Management (Ireland) Limited, shall also be entitled to be repaid of its administration expenses out of the assets of the Sub-funds attributable to the share class. The Manager discharges the advisory fees of the Fund and the Sub-funds out of its own management fee. The expenses are payable out of the assets of the Funds and Sub-funds.

Managed Account Client

The client in the Managed Account is generally charged a fee consisting of an asset based

“management fee”.

Fees are agreed with the client in the IMA. Unless otherwise indicated in the IMA the management fees are paid monthly in arrears after the last day of each month based on the net market value of the Managed Account as of the last business day of each month. The Firm invoices the client for any fees incurred.

Item 6 - Profit Share Distribution

Performance Fee

Gavekal does not charge performance fees for the Sub-funds that have US investors, are marketed to US investors or may be marketed to US investors, as set out Item 5 above. None of our other funds charge any performance fee.

Managed Account

Currently, Gavekal charges performance fees on two of its managed account clients.

Item 7 - Types of Clients

Funds and Sub-funds

Gavekal manages the assets of each of the following:

Funds and Sub-funds	Type of Fund
Gavekal UCITS Fund	Irish UCITS open-ended umbrella unit trust
Gavekal Asian Opportunities UCITS Fund	Sub-fund of Gavekal UCITS Fund
Gavekal China Onshore RMB Bond Fund	Sub-fund of Gavekal UCITS Fund
Gavekal China Fixed Income Fund	Sub-fund of Gavekal UCITS Fund
Gavekal Multi-Fund PLC	Irish UCITS open-ended umbrella fund
Gavekal Global Equities UCITS Fund	Sub-fund of Gavekal Multi-Fund PLC,

The Sub-funds have minimum subscription and minimum subsequent subscription amount requirements, in accordance with the respective offering documents. Gavekal has the right to accept an initial investment of a lesser amount than required, provided that the minimum initial investment amount shall not be, at any time, less than the applicable local regulatory requirements. Gavekal also has the right to accept additional investments of lesser than required amounts. Investors may redeem their investments in the Sub-funds in accordance with the terms stipulated in their respective offering documents.

Managed Account

Gavekal currently manages four managed accounts for two institutional clients and two separately managed accounts in the form of Cayman Islands Funds.

Types of Investments

The Sub-funds invest their assets in equity, fixed income and derivative securities, as stipulated in their respective offering documents.

The Managed Accounts invest its assets in fixed income securities denominated in Chinese Renminbi (“RMB”), Hong Kong Dollars (“HKD”), Singapore Dollars (“SGD”), Hong Kong Delivered Chinese Renminbi, and US Dollars (“USD”).

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

Investment Strategies for the sub-funds that are offered to US investors

Gavekal China Fixed Income Fund: the investment objective is to seek capital appreciation through the acquisition and sale of fixed income securities denominated in RMB, HKD, USD, and Singapore Dollar (“SGD”). It mainly invests in fixed income instruments of both sovereigns and corporations in RMB, HKD, USD, and SGD.

Gavekal Asian Opportunities UCITS Fund: the investment objective is capital appreciation through tactical asset allocation between currencies, government bonds, corporate bonds, convertible bonds and equities of the Asia- Pacific region. It is a long only fund in which 10%-90% of its assets will be invested in Asian and Australasian equities and the remainder of the portfolio will be invested in Asian and Australasian debt securities or currency deposits.

Gavekal Global Equities UCITS Fund: the investment objective is to outperform the MSCI World Index. Its assets will be directly invested in equities listed mainly on OECD countries, Hong Kong and Singapore.

Managed Accounts: The Managed Accounts will seek to achieve positive total returns through tactical investments in equity, fixed income instruments and Asian currencies.

Gavekal China Onshore RMB Bond Fund: the investment objective is to maximise total return through the acquisition and sale of Chinese onshore renminbi-denominated bonds.

Risk Factors

All investments involve the risk of loss, including (amongst other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. There is no assurance that the investment objective of the Funds, Sub-funds, and Managed Account will actually be achieved. The difference at any one time between the issue and redemption price of the units of the Funds, Sub-funds, and Managed Account means that an investment in the Funds, Sub-funds, and Managed Account should be viewed as medium to long term.

These risks include market capitalization risk, emerging markets risk, registration risk, political/regulatory risk, high yield/low rated debt securities, securities lending risk, credit risk, currency risk, financial derivative instruments risk, options risk, over-the-counter markets risk, settlement risk, counterparty risk, liquidity risk and custody risk.

Concerning the current market situation, Gavekal considers particularly the coronavirus risks. In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced, which has resulted in the temporary closure of many corporate offices across the globe, including the United States, Europe and Asia. The extent to which COVID-19 may negatively affect the operations of Gavekal and the performance of the Funds is difficult to predict. The potential impact on such operations and performance will continue depend to a large extent on future developments for mitigation of the COVID-19 pandemic and the actions taken by authorities to contain COVID-19 or treat its impact. These potential impacts could adversely affect the performance of the Funds.

There is no assurance that the investment objective of the Funds, Sub-funds, and Managed Account will actually be achieved. Investors should be aware that an investment in the Funds, Sub-funds, and Managed Account may be exposed to other risks of an exceptional nature from time to time.

Item 9 - Disciplinary Information

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

Item 10 - Other Financial Industry Activities and Affiliations

Gavekal Capital Management Limited and Gavekal Limited are related entities by common ownership that serve as distributors for certain Funds and Sub-funds and are paid for services out of the Sub-fund's management fee. Gavekal Fund Management (Ireland) Limited is a related entity under common control and serves as the Investment Manager of the Funds and Sub-funds.

Louis Vincent Gave (owner of Gavekal, the registered investment adviser) serves as one of the directors of Gavekal Multi-Fund PLC, the umbrella fund for the Gavekal Multi-Fund PLC Sub-funds.

Item 11 - Code of Ethics and Participation Personal Trading/Interest in Client Transactions

Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, Gavekal has adopted a Code of Ethics and a Personal Account Dealing ("PAD") Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Gavekal or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The Code of Ethics was adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, nonpublic information and ensure the propriety of its principal trading activity.

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

- Employees of Gavekal must at all times place the interests of clients first;
- Employees of Gavekal must make sure that all personal securities transactions are conducted consistent with the PAD policy. All transactions should avoid any actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility; and
- Employees of Gavekal should not take inappropriate advantage of their positions. The receipt of investment opportunities, perquisites, or gifts from persons seeking business with Gavekal could call into question the exercise of an employee's independent judgment.

Employees of Gavekal must obtain written authorization from the CCO prior to making a personal investment. The spirit of this Code of Ethics and the PAD Policy is to discourage frequent trading in personal employee accounts. Employees may not engage in any outside business activities or invest in private companies before obtaining authorization from the compliance department.

The prior written authorization of personal investment is valid only until the close of trading on the business day for which it was issued. In addition, all transactions are subject to a 60-day holding period.

All Gavekal employees must ask their brokers to send their brokerage statements to the CCO directly. Alternatively, all Gavekal employees should provide duplicate copies of brokerage statements to the compliance department. These records are used to monitor compliance with the foregoing policies.

Our Code of Ethics and PAD Policy is available to any investor or prospective investor upon request.

Participation or Interest in Client Transactions

The Firm does not, as a principal, buy securities for itself from, or sell securities that it owns, to any client. Nor does it act as a broker or an agent to effect securities transactions for compensation for any client.

Item 12 - Brokerage Practices

Best Execution

The SEC has taken the view that an investment adviser at all times owes a fiduciary duty to its clients to obtain best execution of their transactions. In general, to meet its duty of "best execution", Gavekal must execute transactions so that the total cost or proceeds of each transaction are the most favorable under the circumstances. When a broker-dealer is used, Gavekal may consider the full range of a broker's services, including among others: the value of research and/or brokerage services provided, execution capabilities, commission rates, financial responsibility, administrative resources, and responsiveness. In addition, in seeking best execution, Gavekal may also use a variety of execution methods.

Best execution is determined on a trade-by-trade basis, and should result in the best qualitative execution, not necessarily the best possible commission cost. A key element of the duty of best execution is obtaining the best price at which securities transaction are

executed. Best price is considered to be the highest price that a client can sell a security and the lowest price that a client can purchase a security. Other components of best execution are timeliness of having a transaction executed by a broker, the value of research provided, the responsiveness of the broker to the Firm, and the financial responsibility of the broker.

Typically, to achieve best execution, the Firm may aggregate or batch client orders when a transaction is done that is to be allocated amongst various accounts. If aggregation of trading is not utilized or available in such situations, Gavekal is required to disclose to clients that it will not aggregate transactions and the fact that clients may pay higher commissions or mark-ups as a result.

Soft Dollars

Section 28(e) of the Exchange Act provides a safe harbor for persons who exercise investment discretion over accounts to pay for research and brokerage services with commission dollars generated by account transactions. The controlling principle to be used to determine whether something is “research” is *“whether it provides lawful and appropriate assistance to the money manager in the performance of his or her investment decision making responsibilities.”*

Therefore, Section 28(e) prevents such manager from being deemed to have acted unlawfully or to have breached a fiduciary duty as long as such manager has determined in good faith that the amount of the commission was reasonable in relation to the value of the brokerage and research services provided.

The CCO will continuously review trade activity to determine that trades are being handled correctly, are in compliance with guidelines and objectives and that only approved counterparties are being used.

As such, Gavekal shall only soft the following services:

- (a) Research and advisory services;
- (b) Economic and political analysis;
- (c) Portfolio analysis including valuation and performance measurement;
- (d) Market analysis;
- (e) Data and quotation services;
- (f) Computer hardware and software incidental to the above goods and services;
- (g) Investment related publications.

Gavekal shall not soft the following services:

- (a) Travel;
- (b) Accommodation;
- (c) Entertainment;
- (d) General administrative goods or services;

- (e) General office equipment or premises;
- (f) Membership fees;
- (g) Employee salaries; and
- (h) Direct money payment.

Item 13 - Review of Accounts

Review of Accounts

The Funds and Sub-funds appointed independent administrators are responsible for producing final confirmed NAVs and monthly investor statements, which are distributed directly to the investors in the Funds and Sub-funds. The administrators also work with independent public accountants to produce and distribute the Funds' and Sub-funds' annual audited financial reports, as well as year-end statements.

In addition, Gavekal has engaged an independent administrator to prepare monthly unaudited reports reviewing the Funds' and the Sub-funds' performance for the month.

The Firm requires the custodian of the Managed Account to provide the Managed Account client with a monthly report in writing showing the aggregate market value of all securities and funds in the account, the client's addition of funds and securities to and withdrawal of funds and securities from the Managed Account during the month and the calculation of the fees during the month. The custodian of the Managed Account will also prepare an annual audited financial statement of the Managed Account.

Reporting

Investors in the Funds and the Sub-funds receive, at a minimum, the following written reports: (1) on an annual basis, audited financial statements prepared by an independent auditor; and (2) within 4 months of the Firm's fiscal year end, audited financial report for the Funds and the Sub-funds with respect to the previous fiscal year. In addition, investors in the Funds and the Sub-funds generally receive net asset value updates and performance reports on a monthly basis. Exposure reports are provided to all the investors of the Funds and Sub-funds on a monthly basis.

Each month, the Firm produces and distributes written reports about the Managed Account to clients. These reports include various financial data and information.

Item 14 - Client Referrals and Other Compensation

Gavekal may, from time to time, engage the services of third-party placement agent firms. When dealing with potential investors in the US, Gavekal will provide prospective investors with a current copy of the Firm's ADV Part 2A and the solicitor's written disclosure statement, if relevant. Any marketing fee or commission in connection with any investor referral activities, including ongoing payments, will generally be paid from the management fees payable to the Firm.

Item 15 - Custody

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of client funds or securities. The Rule requires advisers that have custody of client funds or securities to implement a set of controls designed to protect those client funds or securities from being lost, misused, misappropriated or subject to the advisers' financial reverses. Advisers with custody of client fund or securities must maintain them with "Qualified Custodians." "Qualified Custodians" under the amended rule include banks and savings associations and registered broker-dealers.

Gavekal does not maintain direct custody or possession of any of its client's funds or securities. Gavekal has appointed Societe Generale S.A. (Dublin) Branch as its trustee/custodian.

The trustee/custodian will provide, among other things, clearing, custodial and record keeping services. We shall use best efforts to ensure that the Funds' and the Sub-funds' audited financials are delivered to all investors within four months of the fiscal year end.

The Firm does not maintain direct custody or possession of any the funds or securities of the Managed Account client. The Managed Account have third party custodians who provide, among other things, clearing, custodial and record keeping services.

Item 16 - Investment Discretion

Gavekal has discretionary authority to manage accounts on behalf of all its funds, the Sub-funds, and Managed Account.

The investment guidelines governing the Firm's management of the Funds and Sub-funds are specified under the Funds' and Sub-funds' offering document, where investment limits are intended to minimize investment risk and maximize return. The investment limits mainly cover concentration limits on underlying funds, concentration limits on illiquid investments and leverage positions.

With the Managed Account, the investment guidelines are specified under the IMA. The investment restrictions mainly cover concentration limits on issuers, jurisdictions and counterparties, limits on short selling, prohibitions on investment in real property or physical commodities and investments that require prior notification to the investor.

Prior to accepting an appointment to act as a discretionary manager for an investor, the Firm conducts a full “know your customer” assessment. This is performed so that the Firm understands each investor’s investment objectives and risk profile and is then able to manage the portfolio in a suitable manner.

Item 17 - Voting Client Securities

Corporate Action and Proxy Voting Policy

The Firm’s policy is to comply with the Proxy Rule and act solely in the best interest of the investor/client when exercising its voting authority. The Firm determines whether and how to vote corporate actions and proxies on a case-by-case basis and will apply the following guidelines, as applicable:

- The Firm will attempt to consider all aspects of the vote that could affect the value of the issuer or that of the investor/client.
- The Firm will vote in a manner that it believes is consistent with the investor/client’s stated objectives.
- The Firm will generally vote in accordance with the recommendation of the issuing company’s management on routine and administrative matters, unless the Firm has a particular reason to vote to the contrary.

Item 18 - Financial Information

The Firm does not require or solicit pre-payment of any type of client fees in advance.

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.