

ITEM 1: COVER PAGE

UG INVESTMENT ADVISERS LTD.

Form ADV, Part 2A
(the “**Brochure**”)
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This Brochure provides information about the qualifications and business practices of UG Investment Advisers Ltd. If you have any questions about the contents of this Brochure, please contact us at (886) 9-2042-9057 or by e-mail at adv@ugfunds.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. Additional information about UG Investment Advisers Ltd. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Following the effectiveness of its registration with the SEC, UG Investment Advisers Ltd. may refer to itself as a “registered investment adviser”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Concurrently, UG does not advise any private fund in the United States. Nor the offshore funds that it advises outside the United States have any U.S. investors.

ITEM 2: MATERIAL CHANGES

Not Applicable. Our last annual amendment was filed on 24 September 2021 and there has been no material change since then.

ITEM 3: TABLE OF CONTENTS

ITEM 1: COVER PAGE	1
ITEM 2: MATERIAL CHANGES.....	2
ITEM 3: TABLE OF CONTENTS	2
ITEM 4: ADVISORY BUSINESS.....	4
ITEM 5: FEES AND COMPENSATION	5
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	6
ITEM 7: TYPES OF CLIENTS	7
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
ITEM 9: DISCIPLINARY INFORMATION	16
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	17
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	18
ITEM 12: BROKERAGE PRACTICES	20
ITEM 13: REVIEW OF ACCOUNTS.....	26
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION	27
ITEM 15: CUSTODY	28
ITEM 16: ADVISORY SERVICE.....	29
ITEM 17: VOTING CLIENT SECURITIES	30
ITEM 18: FINANCIAL INFORMATION.....	31

About this Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests (or a solicitation of an offer to purchase interests) in any Fund; and
- a complete discussion of the features, risks or conflicts associated with any Fund or any other product or service offered by UG Investment Advisers Ltd. (“UG” or “**Investment Adviser**”).

As required by the Advisers Act, UG will provide this Brochure to any current and prospective U.S. clients prior to the commencement of UG’s advisory services and annually thereafter to any current U.S. clients. The Brochure may also be provided to current or prospective U.S. investors in a Fund, in conjunction with the Fund’s disclosure and investment documents and other relevant offering materials, such as the Fund’s Information Memorandum, prior to or in connection with such persons’ consideration or execution of an investment in a Fund, and may subsequently be provided, in UG’s discretion, annually or upon request. This Brochure is also available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of UG, persons who receive this Brochure should be aware that it is designed solely to provide information relevant to U.S. persons about UG as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in disclosure and investment documents and other relevant offering materials. More complete information about each Fund or any other product or service offered by UG is included in disclosure and investment documents and other relevant offering materials, certain of which may be provided to current and eligible prospective clients and investors only by UG and/or its affiliates. To the extent there is any conflict between discussions herein and similar or related discussions in any such materials, the relevant disclosure and investment documents and other relevant offering materials shall govern and control.

Moreover, UG’s activities with respect to non-U.S. clients may differ from those described generally herein and UG may provide additional or different services to non-U.S. clients. UG does not generally hold itself out to non-U.S. clients as an SEC-registered adviser nor does it provide this Brochure to non-U.S. clients. Since UG does not maintain a place of business within the U.S., it may rely on SEC Staff guidance to apply local governing law, rather than the substantive provisions of the Advisers Act, to its relationships with such non-U.S. clients to the extent that activities with respect to those relationships do not constitute “conduct” or have “effects” within the U.S.

ITEM 4: ADVISORY BUSINESS

UG Investment Advisers Ltd. (“UG” or “**Investment Adviser**”) is an exempted company incorporated with limited liability under the laws of the Cayman Islands. UG provides its advisory services and products from its liaison office in Taiwan with investments focus on the Taiwanese and Greater China markets and which is now gradually expanding to the global markets. One such Fund, the UG Greater China Multi-Strategy Fund (“**GCMF**”), a sub-fund of a Cayman Island-domiciled umbrella mutual fund, may be offered to U.S. tax-exempt institutional investors and additional Funds or other advisory products or services may be offered to U.S. Persons in the future.

The ultimate beneficial shareholders of UG holding 25% or more of its issued shares are Ming C. Wang (who also serves as Chief Executive Officer and a Director of UG), Ming P. Wang (who also serves as Chief Compliance Officer and a Director of UG) and Su F. Kuo.

Investments for each Fund are managed in accordance with a Fund’s particular investment objectives, strategies, restrictions and guidelines and are not tailored to the individualized needs of any particular investor in a Fund. Information about each Fund, and the particular investment objectives, strategies, restrictions, guidelines and risks associated with an investment, is described in the governing documents (e.g., offering memorandum, governing or constitutive documents, investment advisory contract) of the Funds (“**Governing Documents**”), which are made available to investors through an authorized party. Since UG does not provide individualized advice to the investors (and an investment in a Fund does not, in and of itself, create an advisory relationship between the investor and UG), investors must consider whether a particular Fund is appropriate to their own circumstances based on all relevant factors including, but not limited to, the investor’s own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant offering materials and the additional details about the Fund’s investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

GCMF's investment objective is to provide investors with mid-term capital appreciation through multiple investment strategies by investing principally in the securities and/or derivatives of securities of companies that (i) are domiciled in countries which have Mandarin Chinese as one of the country’s official languages (the “**Mandarin Market**”) (including their subsidiaries and/or affiliated companies which may be domiciled either within or outside the Mandarin Market) and/or (ii) derive sales or revenue from, or have assets in, any country in the Mandarin Market, even if the shares of such company may be listed elsewhere, (collectively, the “**Mandarin Market Beneficiary Companies**”).

As at 31 August 2022, UG has regulatory assets under management of US\$3,881,291,831, all of which are non-discretionary and attributable to the Funds.

UG currently does not have any proprietary account, although UG may reinvest a certain amount of revenue collected from its advisory services into the Funds. As of 31 August 2022, amounts invested by UG in the Funds represented approximately 4% of the asset value of the Funds.

ITEM 5: FEES AND COMPENSATION

UG is compensated for advisory services rendered to the Funds that it advises through (1) advisory fees and (2) performance based compensation arrangements. Advisory fees are generally paid monthly, in arrears, based on an annual rate against each Fund's current net asset value ("NAV"). In most cases, the advisory fee rate will be 2% of NAV but different investors or classes of investors will pay different fees. For Fund strategies that require **direct** access to the securities markets of the PRC, the Funds also pay such product service fees to certain unaffiliated managers with eligible licenses. Performance fees, when earned, are generally payable monthly, in arrears and calculated as a percentage (often 20%) of total investment return, based mostly on a high watermark calculation methodology. Performance fees creates certain conflicts of interest, as discussed in Item 6, below.

UG receives other fees from the Funds or from investors in the Funds. These include fees for advising on/recommending to the Fund in respect of structuring and arranging short sales in, and for accessing, restricted markets and for establishing any investment vehicle or special purpose vehicle in any country as UG sees fit. Such fees are generally equivalent to 0.25% per annum of each Fund's NAV and payable monthly in arrears by each Fund. There are also charges in connection with an investor's investment in or redemption from a Fund. However, different investors or classes of investors pay different such fees. Certain classes of a Fund pay distribution fees (*e.g.*, generally 0.625%) to distributors for investor referrals. However, minimum investment amount for these classes is much lower than that of a class that does not include distribution fees (*e.g.*, USD100,000 v. USD3,000,000). Except fees above mentioned, UG or its directors does not receive any commission when recommending investments (*e.g.*, buy-in or sell-off a security) or providing advisory service to the Funds from any of its brokers or service providers (*e.g.*, custodian and administrator of the Funds).

Each Fund also bears all costs of its trading and investment activities. Such expenses generally include, but are not limited to, commissions and fees (*e.g.*, execution, give-up, brokerage, exchange, clearing, principal, and regulatory), margin, option premiums, delivery, escrow and custody fees and expenses (including administrator, valuation, registrar and any other transaction handling fees), research fees, taxes, duties and other governmental charges, costs associated with foreign exchange transactions, advisor fees, insurance costs, interest expenses, acquisition costs, due diligence costs (including travel expenses), transfer and registration fees, legal and accounting fees and expenses and costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the client's account invests) associated with products or services that are necessary or incidental to such investments or accounts.

Additionally, each Fund generally pays all of its ordinary organizational, offering, administrative, and operating expenses, including, but not limited to, ordinary and recurring legal, accounting, escrow, auditing, recordkeeping, administration, directors' fees, and certain clerical expenses including those incurred in preparing, printing and mailing reports and tax information to investors and regulatory authorities, expenses for specialized administrative services, filing fees and taxes. Additional fees (*e.g.*, wire transfer charges) are also imposed by service providers.

Please see Item 12 and Item 14 of this Brochure for further discussions of UG's brokerage practices and client referrals and other compensation.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

UG's income with respect to its investment advisory business is partially derived from performance fees from the Funds. Individuals within the firm are also be compensated based on performance.

General Conflicts of Interest Associated with Performance Fees: Performance fees results in an incentive to achieve gains that exceeds the disincentive to suffer losses. In these cases, UG faces a potential conflict of interest that it would have an incentive to choose investments that are relatively riskier or more speculative than it has chosen absent these structures. This incentive is mitigated, to an extent, by the requirement that UG adheres to the investment limitations and guidelines set forth in each Fund's documents. In addition, because performance fees is based on unrealized as well as realized gains and losses, such fees may be calculated and paid based on valuations that are not ultimately achieved. This creates an incentive for UG to adopt higher valuations in respect of portfolio securities. Because of this conflict with respect to valuations, the Funds have procedures in place that require valuations to be performed by independent third-party of an administrator appointed directly by the Fund.

Conflicts of Interest Associated with Differential Fee Structures or Pecuniary Interests: Not all accounts will pay performance fees and further, the nature of performance fee calculations is based on a "high watermark" provision, pursuant to which performance fees are subject to investment performance exceeding a previously achieved level, creating an incentive for UG and its personnel to favor Funds that are at or above a high watermark over Funds that are below the high watermark (or with no performance fee). Additionally, UG and its personnel invests in one or more Funds. As a result, UG or such other persons will have differing pecuniary interests with respect to the Funds; potentially creating an incentive to favor one or more Funds over others. This creates a variety of conflicts of interest, including an incentive for UG to allocate investments under it advises that are believed to be more likely to be profitable to Funds or accounts in which UG has a greater pecuniary or compensatory interest. Similarly, where there are differential interests and action taken on behalf of one Fund will impact another Fund, because such Funds have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting strategies or investments or have differential ability to engage in short sales and similar transactions, UG will have an incentive to take action in a manner that favors the Fund(s) in which UG has a greater interest. To mitigate these conflicts, UG has adopted a variety of policies and procedures that seek to assure that UG, when providing its advisory services or products to the Funds, is in a manner that is insulated, to the extent possible, from these conflicts. In particular, UG's Code of Ethics requires that UG, as a fiduciary, places its clients' interests above its own and UG's trading and allocation policies and practices are reasonably designed to promote fair and equitable treatment of its clients over time.

ITEM 7: TYPES OF CLIENTS

UG now provides non-discretionary management and investment advice to GCMF, as well as its other Funds, and not to the individual investors in such Funds. UG may service additional types of clients in the future, including U.S. Persons. Funds may, but will not necessarily, employ a “master-feeder” structure for regulatory, tax or investment purposes. Generally, a master-feeder structure vests trading operations in one or more “master” funds while investors may typically access the master fund(s) only through one or more “feeder” funds. These feeder funds, in turn, invest (directly or indirectly) in the master fund(s). Funds may be organized within the U.S. (typically as Delaware Limited Liability Companies and each such Fund shall be referred to herein as a “**U.S. Fund**”) but it is generally anticipated that most of the Funds will be organized outside the U.S. (an “**Offshore Fund**”). It is expected that any master fund will be an Offshore Fund while feeder funds may be U.S. Funds or Offshore Funds.

UG expects that each U.S. Fund (and any Offshore Fund in which U.S. Persons invest) that invests primarily in securities will be excepted from the definition of an “investment company” for purposes of the Investment Company Act of 1940 (the “**1940 Act**”) pursuant to Section 3(c)(1) of the 1940 Act (“**3(c)(1) Funds**”) or Section 3(c)(7) of the 1940 Act (“**3(c)(7) Funds**”) and that securities issued by such Funds will not be registered under the Securities Act of 1933 (the “**1933 Act**”). Certain Funds may be “commodity pools” for purposes of the Commodity Exchange Act (“**CEA**”) and related regulations administered by the U.S. Commodity Futures Trading Commission (“**CFTC**”). UG or a Fund may rely on CFTC exemptions with respect to such commodity pools.

Compliance with these exceptions (and other applicable law) requires the Funds to restrict the classes of persons who may invest. Interests in 3(c)(1) Funds generally may be offered only to persons who are “accredited investors” as defined in Regulation D under the 1933 Act and, where such Fund pays a performance based fee, “qualified clients” as defined in Rule 205-3 under the Advisers Act. Interests in 3(c)(7) Funds generally must be offered to persons who are both “accredited investors” as defined in Regulation D under the 1933 Act and “qualified purchasers” as defined by Section 2(a)(51) of the 1940 Act. However, interests in any Offshore Fund may also be offered outside the U.S. to persons who are not “U.S. Persons” as defined in Regulation S under the 1933 Act and, in this respect, certain Offshore Funds may be authorized for public distribution in certain non-U.S. jurisdictions. Offshore Funds may also be offered on a private placement basis to U.S. entities (typically tax exempt) who meet the applicable eligibility requirements. Investors may also be subject to additional eligibility requirements, as set forth in the relevant Governing Documents. For example, investors in Funds for which UG is a commodity pool operator that is (i) exempt from certain reporting, recordkeeping and disclosure requirements pursuant to Rule 4.7 under the CEA or (ii) exempt from registration and related requirements pursuant to Rule 4.13(a)(3), or other provisions of or rules under the CEA may be required to meet additional requirements. UG’s personnel (including, but not limited to, portfolio management personnel responsible for advising on/making recommendations to the Funds concerning cash and the investment and re-investment of the investments of the Funds) who are “knowledgeable employees” (as defined in Rule 3c-5 under the 1940 Act) or who meet the Fund’s eligibility criteria may invest in the Funds. UG or its related persons may also hold interests in Funds and may have different compensatory, investment or pecuniary interests in such Funds, including some which follow similar, complementary or competing strategies. Investments in a Fund may be subject to initial minimum commitment requirements and there may also be minimum requirements imposed for additional investments as well as minimum continuing commitment requirements in the event of a partial redemption. Any such requirements will be set forth in the Fund’s governing documents. In some cases, UG may have authority to waive such requirements. Investors in the Funds may be required to provide certain identifying information in connection with their applications to subscribe. UG may be subject to and will comply with all applicable laws (including U.S. Regulation S-P) enforced by the U.S. Securities and Exchange Commission and other regulators in the United States that govern privacy of information. UG will not share any personal information of its investors that it collects unless permitted by applicable law.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

This Item 8 includes a general description of the investment strategies applicable to, and the types of investments held by, Funds in which U.S. Persons are eligible to invest as well as the primary risks associated with those investments and strategies, as it is not possible to identify all of the risks that could be associated with investing and the particular risks applicable to a Fund at any time depends on a variety of factors including the instruments held and strategies pursued from time to time. While UG seeks to manage Funds so that risks are appropriate to the return potential for the strategy or strategies employed, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that any particular level of return will be achieved.

A Fund is not intended to provide a complete investment program for an investor and UG expects that assets invested in a Fund do not constitute all of an investor's assets. A Fund's investments may be limited to, or concentrated in, certain types of issuers, securities, regions or market sectors and may not be diversified. For example, a Fund's strategies may focus on, and may be limited to, investments related to the "Mandarin Market", as described above, which may result in concentrated exposure to risks related to the Mandarin Market.

An investor could lose some or all of its investment and should be prepared to bear the risk of such potential losses, including through diversification. Investors are responsible for appropriate diversification of their assets.

Currently, U.S. Persons are limited to investments in GCMF, which seeks mid-term capital appreciation through multiple investment strategies by investing principally in the securities and/or derivatives of securities of Mandarin Market Beneficiary Companies. Such investment strategies include, but are not limited to:

- a) Closed-end fund strategy involves investing long or short in closed-end funds traded at a discount or premium, as well as seeking potential arbitrage opportunities;
- b) Convertible arbitrage involves investing in the convertible securities of a company while simultaneously shorting the company's equity securities. Convertible arbitrage strategies seek to generate returns both from the fixed income of the convertible security and the short sale of the equity, while also seeking to insulate principal from market fluctuation to some extent. When convertible arbitrage involves an asset swap instrument, such strategy is aimed at taking advantage of the cheap option of the convertible security and simultaneously short-hedging the company's equity securities, while also seeking to mitigate the credit risk of the company if applicable;
- c) Equity-market neutral strategy seeks to exploit equity-market inefficiencies through investing in a portfolio that is long positions in stocks that are expected to outperform the market and short positions in stocks that are expected to underperform the market;
- d) Managed futures and options strategy invests in futures and options linked to stock indices by analyzing technical, fundamental indicators to determine whether to implement a short or long strategy;
- e) Event driven strategy seeks to capture price movements derived from securities whose issuers are involved in mergers, divestures, restructurings, other corporate events or special investment themes; and

- f) Long/short strategy seeks opportunistic net long or net short exposure to the market based upon the short-to mid-term views of a market. This strategy seeks to add value through selecting which stocks/sectors to go long or short on, but it also adds value by deciding when to go net long or net short.

The Funds may make investments in the Mainland Chinese securities market via Qualified Foreign Institutional Investors (the “**QFII**”) or Renminbi Qualified Foreign Institutional Investors (the “**RQFII**”) and together with “**QFII**”, collectively referred to as the “**QFI**”) with an eligible QFI license in accordance with the relevant QFI laws, rules and regulations, as may be amended and updated from time to time (the “**Regulations**”), given that the Funds do not have a QFI license currently. In respect of such investments, a Fund may appoint certain QFI (*e.g.*, the unaffiliated managers as referred to in Item 5) to deal with investments in respect of certain of that Fund’s assets that may be invested in the Mainland Chinese securities market. Such investments will be managed according to the investment parameters, objectives and/or strategies of the relevant Funds. A Fund may also seek to implement its investment strategy by investing in the stock exchanges in Shanghai and Shenzhen via the Stock Connect programs between Hong Kong and Mainland China, which allow international investors to trade certain securities listed and traded on the Shanghai Stock Exchange or Shenzhen Stock Exchange through the programs.

Cash Positions. While a Fund is generally expected to be fully invested, it may hold cash positions for investment, defensive, hedging or collateral purposes or as a result of contributions or in anticipation of redemptions. Where a Fund invests significantly in derivatives, it is often necessary to hold a significant portion of their portfolio in cash (or similar assets such as government securities or money market instruments) either as margin or otherwise. When a Fund holds cash positions, it will generally continue to pay fees on these assets to UG and such fees will typically be in excess of potential returns on cash or cash equivalents. Cash may be held in the form of shares of money market funds, in which case investors would, in effect, pay two advisory fees with respect to the portion of the Fund so invested (*e.g.*, the money market fund’s fees and expenses and that portion of UG’s fee attributable to such assets). The total cost of these fees may exceed any gains earned by an account on the cash positions it holds. Cash positions of a Fund may be subject to currency risk, as described below.

The Funds are subject to a variety of risks, which may be particularly pronounced as a result of concentration in the Mandarin Market, in particular issuers or sectors, or as a result of leverage. Potential material risks associated with the Funds’ investment program may include, but are not necessarily limited to, the following (a more complete description of risks is included in the Funds’ offering materials):

- a) **Potential Market Volatility:** the securities of small companies may often experience significant price volatility and potential lack of liquidity. Additionally, the markets on which interests in Mandarin Market issuers or Mandarin Market Beneficiary Companies trade may not be as developed as other markets, including the US markets and may be more susceptible to fraud.
- b) **Political and Economic Risks:** uncertainties in any changes to government policies or legislation in the countries in which a Fund may invest may adversely affect the political or economic stability in such place. Additionally, political and legal environments in some of the Asian emerging markets are still developing and in many areas are neither entirely transparent nor entirely stable. Relevant foreign investment regulations, such as taxation and investment prohibitions, in these markets may change without prior notice.
- c) **Accounting Standards:** accounting standards and regulatory requirements of financial reporting and information disclosure in some developing markets and emerging market differ from those in developed markets and fulsome financial reporting and information disclosure with respect to issuers may not be available.

- d) **Currency Exchange Risk and Repatriation Risks:** the Funds are denominated in US Dollars but most of their investments will be denominated in currencies other than US Dollars and accordingly, there is a currency exchange risk involved as a result of fluctuations in exchange rates between US Dollars and any other currencies. Foreign exchange controls and delays in relevant repatriation applications and payment processes in some countries may cause difficulties in the repatriation of funds. In addition, Chinese Yuan currency exchange risk may vary subject to different investment schemes through which investments of a Fund are made, *e.g.*, where investments are made via the QFII program, a Fund may be subject to currency exchange risk between US Dollars and the local Yuan (*e.g.*, Renminbi) and where investments are made via programs of the RQFII or the Stock Connect, a Fund may be subject to currency exchange risk between US Dollars and the offshore Chinese Yuan (*e.g.*, CNH).
- e) **Emerging Markets:** the Funds may invest in emerging markets, including, Mainland China. Investment in such markets involves risk factors and special considerations, including the following, which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalization or other confiscation could result in loss to the Funds. Under certain circumstances, delays in repatriation applications and/or payment processes may cause difficulties in the repatriation of funds from such countries and, accordingly, delay the timely settlement of redemption proceeds. By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be under-developed, enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to more developed markets.
- f) **High-Yield Securities:** the Funds may make investments in securities which are rated below investment-grade (or of similar quality if unrated), known as "high-yield securities" or "junk bonds". High-yield securities are subject to greater levels of credit and liquidity risks. High-yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments.
- g) **Credit Risk and Convertible Bond Default:** overall creditworthiness of the issuers of the equity stocks and/or other securities (whether a direct investment or via a derivative arrangement), as well as the counterparties to hedging contracts may deteriorate in a longer term and, in turn, incur defaults or become unable to honor financial obligations. Also, convertible bond investments are closely tied to the long-term credit of the bond's underlying company. Accordingly, there is the possibility of unexpected credit defaults and sudden declines in the value of the investments caused by the underlying company's bankruptcy, liquidation and/or any other financial crisis.
- h) **Custody Risk:** assets deposited with and held as collateral by any prime broker may therefore be available to the creditors of such brokers in the event of their insolvency.
- i) **Mainland China Tax:** currently, other than coupon interest income received in the China bond market which is not subject to a withholding tax pursuant to temporary tax exemptions from 7 November 2018 to 6 November 2021 and such tax exemptions further being extended from 7 November 2021 to 31 December 2025 as announced by the Mainland Chinese tax authorities, QFIs investing in domestic Mainland Chinese securities (collectively the "**A-shares**") are subject to a

withholding tax of 10% on dividends, distributions and interest income (collectively “**Distribution Income**”) that were received by QFIs. There is generally no withholding tax levied on capital gains made from investments in A-shares on or after 17 November 2014 by QFIs pursuant to temporary tax exemptions announced by the Mainland Chinese tax authorities. Similar to investments through the QFI regimes, Distribution Income (other than coupon interest income) derived from investments in eligible A-shares through the Stock Connect are subject to a withholding tax of 10%. There is also generally no withholding tax levied on capital gains made from investments in eligible A-shares through the Stock Connect pursuant to temporary tax exemptions announced by the Mainland Chinese tax authorities.

Above exemptions on capital gains as well as coupon interest income are however noted as temporary measures and it is uncertain when these exemptions will cease to apply. Nor assurance that their exemptions will be available upon expiration. Subsequent to the clarification provided by Mainland Chinese tax authorities in respect of the tax regime for QFII and RQFII and the guidance provided by the Shanghai Tax Bureau in late 2014 and later in 2015 and 2016, the Funds settled their capital gain taxes with brokers who had provided access to QFII or RQFII quotas or derivative instruments issued by brokers with QFII quotas, such as access products, to allow the Funds to invest in A-shares (such brokers hereinafter referred to as (the “**QFII Brokers**”)) as well as with the unaffiliated managers (for direct access purpose) and received repayments on the excess portion of the tax provisions (including those retained from capital gains and Distribution Income) and together with capital gains, collectively referred to as (the “**Tax Provisions**”) from the QFII Brokers and the unaffiliated managers. The Funds further reversed their unused Tax Provisions (including those accrued previously in relation to capital gains and Distribution Income). On and after 1 July 2016, GCMF has not made any substantial tax provisions, except for a small provision (being less than USD1,500,000 as of 30 June 2022) for withholding tax (at the rate of 10%) on PRC domestic fund dividends and distributions and value-added-tax (at the rate of 6.34%) on coupon interest derived from debt securities before temporary tax exemptions came into effect.

It is however noted that it remains possible that GCMF may require providing: (i) further Tax Provisions or (ii) an indemnity to the repayments on tax withholdings that were previously received from QFII Brokers or unaffiliated managers, subsequent to any further clarification or guidance on PRC tax regime issued by the tax authorities (or as the case may be where retrospective effect is taken). Any resulting Tax Provisions or indemnity may have a negative impact on a Fund’s Net Asset Value and shareholders at that point in time (including redemption proceeds payable to redeeming shareholders).

- j) QFII Broker Credit Risk: a QFII broker (including an unaffiliated manager) or their respective affiliate suffering an adverse change in its financial conditions or future prospects will be a higher credit risk, and may, potentially, default or become unable to honor its financial obligations. This may have an adverse effect on the value of the Funds’ investments or otherwise lead to losses suffered by the Funds.
- k) QFI Systems Risk: currently, QFIs no longer need to apply to the Mainland Chinese authority for an investment quota. However, a QFI license is still required and a foreign investor will need to apply for eligibility from the Mainland Chinese authority. Generally, the Funds can invest in A-shares through QFIs or the unaffiliated managers (for direct access purpose) that have obtained licenses. However, the QFI status may in certain circumstances be suspended or revoked, which will have an adverse effect on the Funds’ performance as the Funds may be required to dispose of their securities holdings invested through such QFIs or unaffiliated managers.

- *Beneficial Ownership*: an investment in the Mainland Chinese securities made through the QFI programs is not a direct investment and thus does not entitle a holder of the relevant securities, *e.g.* the Funds, to any direct beneficial interest in the Mainland Chinese securities or to any direct claim against the issuers of the Mainland Chinese securities. Rather, such investments in the Mainland Chinese securities may (as the case may be) represent an obligation of a product issuer to pay to the Funds an economic return equivalent to the underlying securities of such products. Issuers of the relevant products may deduct various charges, expenses or potential liabilities from the prices of the products. Accordingly, investing in the Mainland Chinese securities through such products may lead to a dilution of performance of the Funds when compared to a direct investment in the underlying securities.

- *QFI regulatory risk*: the current Regulations (including rules on investment restrictions), are subject to change, which may take retrospective effect. There is no assurance that the QFI regimes will not be abolished. In addition, there can be no assurance that the unaffiliated managers or other QFIs via which the Funds invest in Mainland Chinese securities will remain licensed as a QFI. In extreme circumstances, a Fund may incur loss due to limited investment capabilities, or may not be able to fully implement or pursue its investment objectives or strategies, due to such QFI investment restrictions and delay or disruption in execution of trades or in settlement of trades.

- *QFI related execution and settlement risk*: execution and settlement of any transaction or in the transfer of any funds or securities in Mainland China are conducted through a Mainland Chinese broker (a “**PRC Broker**”) and/or a Mainland Chinese custodian (a “**PRC Custodian**”), as the case may be. In the event of any default of either a PRC Broker or the PRC Custodian (either directly or through its delegate) in the execution or settlement of any transaction or in the transfer of any funds or securities in Mainland China, a Fund may encounter delays in recovering its assets which may, in turn, impact the net asset value of that Fund.

- *Repatriation risk*: under the current QFI regimes, repatriations of invested capital and net profit by a QFI or an unaffiliated manager for the Funds are generally not subject to any restrictions. Repatriations of net profit may remain subject to the submission of an audit report (rather, repatriations of net profit may be facilitated by a commitment letter issued by such QFI undertaking to pay the relevant taxes as part of the announcement made by the Mainland Chinese authorities on 7 May 2020). In addition, where any restrictions are imposed in the future under the Regulations, such restrictions may impact on a Fund’s ability to meet redemption requests from shareholders.

The rules and restrictions under the Regulations, including rules on remittance of principal/profits and investment restrictions, generally apply to a QFI and not specifically to the investments made by the Funds. Accordingly, there may be certain circumstances that a QFI or an unaffiliated manager may not be able to effectively pursue a Fund’s investment strategy. Further, the Mainland Chinese authorities may impose regulatory sanctions if a QFI or an unaffiliated manager or their respective PRC Custodian (or the delegate) violates any provisions of the Regulations. Any violations could result in the revocation of the QFI license or other regulatory sanctions and may adversely impact a Fund’s investments made through the QFI and/or the unaffiliated manager.

- 1) Stock Connect programs: the Funds may purchase certain equities listed and traded on the stock exchanges in Shanghai and Shenzhen via the Stock Connect program (collectively, the “**Connect Securities**”). While the Funds trade and settle Connect Securities via the stock exchange in Hong Kong, the Connect Securities acquired by the Funds are recorded, on behalf of the Funds, in the name of Hong Kong’s clearing house (*e.g.*, the Hong Kong Securities Clearing Company Ltd. (“**HKSCC**”) in the nominee securities account opened by HKSCC with the PRC’s central clearinghouse (*e.g.*, China Central Depository and Clearing Co., Ltd. (“**ChinaClear**”)). Accordingly, Connect Securities acquired

by the Funds (*e.g.*, recognized as the “ultimate owners”) are not held in the name of the Funds, their custodians, or any of their brokers and in the event of the insolvency of ChinaClear, the Funds’ ability to take action directly to recover the Funds’ property may be limited since HKSCC is the nominee holder.

Furthermore, while the Funds’ ownership of the Connect Securities will be reflected on the books of their custodian’s records, the Funds’ beneficial interest in such Connect Securities remains unclear legally. Stock Connect regulations provide that investors, such as the Funds, enjoy the rights and benefits of Connect Securities purchased through Stock Connect. However, Stock Connect is a new program, and the status of the Funds’ beneficial interest in Connect Securities is untested. To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, the Funds and their custodians may not have a legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Funds suffer losses resulting from the performance or insolvency of HKSCC.

Under Stock Connect, trading in Connect Securities is subject to Hong Kong law, PRC rules (including but not limited to applicable to share ownership), market rules and disclosure requirements in the PRC stock market. Any changes in such laws, regulations and policies of trading the Connect Securities or rules in relation to Stock Connect may affect share prices. In addition, transactions using Stock Connect are not subject to the Hong Kong investor compensation fund. Other risks associated with investments in PRC securities apply fully to Connect Securities.

A stock may be recalled from the scope of Connect Securities for trading via the Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. Accordingly, the Funds may not be able to fully implement or pursue their investment objectives or strategies. Stock Connect is generally available only on business days when both the stock exchanges in Hong Kong and Shanghai or in Hong Kong and Shenzhen respectively are open. When either or both the stock exchanges in Hong Kong and Shanghai or in Hong Kong and Shenzhen is/are closed, investors will not be able to trade Connect Securities at times that may otherwise be beneficial to such trades. In addition, Stock Connect is subject to a daily quota, measuring total purchases and sales of securities, each day. If the daily quota is exceeded, further buy orders will be rejected, until the next trading day. Accordingly, the Funds will not be able to control the use or availability of the quota and the Funds may not be able to implement or pursue their investment objectives or strategies.

Investors should note that Stock Connect program is novel in nature and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulation may be promulgated from time to time by the regulators in connection with the operations and any cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The application and interpretation of the relevant regulations are, therefore, relatively untested and there is no certainty as to how they will be applied. The current Stock Connect regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the Stock Connect regulations will not be abolished. Accordingly, there can be no assurance that the Funds will always be able to obtain investment opportunities via Stock Connect.

- m) Index Futures: leveraging in index futures contracts may result in small price movements in the underlying instruments causing rapid falls and increases in the value of the contracts and hence, large losses or profits. In addition, a Fund’s position in such transactions may not be capable of being closed out in certain circumstances.

- n) **Index Options:** a call or put option on index futures contract provides a right to investors to buy or sell respectively an index futures contract at a pre-determined price. Since the cost of such an option is usually much less than the cost of the underlying index futures contract, an increase in the value of the index futures contract will generally cause the value of the call option to increase at a greater rate and may cause the put option to become valueless. Similarly, a fall in the value of an index futures contract will generally cause the value of the put option to increase at a greater rate and may cause the call option to become valueless. Investment in any call and put options on index futures contracts by a Fund may, therefore, cause the NAV of that Fund to increase or decrease at a greater rate than would otherwise be the case if the investment had been made instead in the underlying index futures contract.
- o) **Share Warrants or Options:** a share call warrant or option provides a right to investors to subscribe for a fixed number of shares at a pre-determined price. Since the price of such a call warrant or option is usually much less than the price of the underlying shares, an increase in the share price will generally cause the value of the call warrant or option to increase at a greater rate. On the other hand, a fall in the share price may cause the call warrant or option to become valueless. A share put warrant or option, which provides a right to investors to sell a fixed number of shares at a pre-determined price, has the reverse effects on share price as a call warrant or option. Investment in any share warrants or options will, therefore, cause the NAV of a Fund to increase or decrease at a greater rate than would be the case if the investment had instead been made directly in the underlying shares.
- p) **Short Sales:** a short sale involves the sale of a security that a Fund does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To deliver to the buyer, a Fund must borrow the security and later purchase the security to return to the lender. A short sale involves a risk of a theoretically unlimited increase in the market price of the security.
- q) **Counterparty Risk:** certain of the investment strategies of the Funds may require the Funds to post margin with various financial institutions as collateral for positions held by such Funds. The financial institutions, including the brokers and futures commission merchants, may encounter financial difficulties that impair their operational capabilities or capital position. Specifically, recent events in the credit market have challenged the financial stability of a number of established financial institutions. In the event that one of these financial institutions becomes bankrupt and fails to segregate a Fund's assets as may be required under law or applicable agreement, that Fund may be subject to a risk of loss for any deficiency. Even if a Fund does not lose its assets held at a particular financial institution, the Fund could incur market losses as a result of financial difficulties at such institutions. In addition, non-U.S. institutions, including non-U.S. brokers, may be subject to different bankruptcy or other regulatory regimes, including regimes applicable to segregation of customer property, than those applicable to U.S. institutions, and in doing business with such non-U.S. institutions, a Fund may not be afforded certain of the protective measures provided under applicable U.S. regulations.
- r) **Systematic Trading Risk:** UG, in execution of trades, may employ systematic trading strategies, which are based on technical and statistical trading systems involving, among other things, trend analysis and other factors relating to the market itself. The profitability of such systematic trading depends upon the occurrence in the future of market moves in line with the analysis of market data. In this respect, the application of past market data may not be a perfect predictor of future results and, accordingly, may result in missed opportunities or in losses that an exercise of discretion might have avoided.
- s) **Counterparty Deleveraging and Change in Overall Market Leverage Risk:** deleveraging as a consequence of a decision to reduce the level of leverage available by any prime broker, custodian

or other counterparties with which a Fund enters into derivative transactions, or the liquidation by other market participants of the same or similar positions may also adversely affect that Fund's portfolio.

- t) Investment Techniques: the use of speculative investment techniques including leveraging and short-selling may cause Funds to become highly sensitive to the fluctuations in interest rates, exchange rates, other movements in the financial market indicators and prices of securities and may, therefore, cause significant fluctuation in the NAV of such Funds.

Prior to investing in a Fund, prospective investors should consult and carefully consider the more detailed description of the investment objectives, strategies and risk factors of the Fund set forth in the Fund's offering documents.

As noted above, GCMF primarily focus on investing in the Mandarin Market – public, private and derivatives. In this respect, and to achieve exposure to the Mandarin Market, it may invest in limited partnerships, limited liability companies or similar structures holding a variety of investments and may also use swaps, derivatives, options, and other financial instruments and engage in currency-related transactions for investment or hedging purposes. Certain of these transactions may require the execution of specialized documentation associated with a particular trade and the opening of accounts with brokerage, execution or clearing firms. For example, swap contracts are typically governed by ISDA Master Agreements, Schedules, Confirmations and, where applicable, Credit Support Annexes that UG may negotiate on behalf of a Fund. Other agreements that may be necessary in connection with these and similar transactions include futures agreements, option agreements and repurchase agreements. If it is such a case that UG negotiates on behalf of a Fund, UG seeks to negotiate industry standard terms (or better).

ITEM 9: DISCIPLINARY INFORMATION

Not Applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A Fund may be a commodity pool. In such cases, UG is a commodity pool operator or a commodity trading advisor, as applicable, that is (i) exempt from certain reporting, recordkeeping and disclosure requirements pursuant to Rule 4.7 under the CEA; or (ii) exempt from registration and related requirements pursuant to, Rule 4.13(a)(3) or other provisions of or rules under the CEA.

UG may appoint any other investment advisers or persons or agents to assist it in providing advisory services or products to a Fund. UG does not anticipate appointing any other investment adviser in such a role from which it would receive direct or indirect compensation in connection with such service or with which it has other significant business arrangements.

Furthermore, UG seeks to assure that its personnel devote appropriate time, attention to all accounts and UG has adopted policies and procedures, including regular meetings of relevant portfolio advising, research and trading personnel (the “**Investment Group**”), being intended to reasonably assure that investment opportunities are allocated fairly and equitably over time and in a manner that is consistent with a Fund’s investment objectives, policies and restrictions.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Subject to compliance with UG's relevant policies and procedures, including its Code of Ethics ("Code") and applicable law, UG and its personnel may invest in securities held by a Fund or other client account managed or advised by UG. UG personnel may invest in Funds which, in turn, may invest in securities held by other Funds. UG may advise a variety of clients and may rely on various, complementary, competing and, in some cases conflicting, investment strategies. In performing its advisory services, UG may give advice and take actions with respect to any such client account or for its own accounts or the account of an access person, that may differ from actions taken on behalf of other accounts. UG is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling for any account any security that UG or an access person may buy or sell for its or their own accounts or for any other account that UG manages or advises. Additionally, UG and their respective personnel may invest or otherwise have an interest, either directly or indirectly, in a Fund which, in turn, may invest, directly or indirectly, in securities held by other UG accounts.

Officers and employees of UG may have interests in securities owned by or recommended to UG's clients (either directly or through an investment in a Fund). As these situations (as well as personal trading or other activities engaged in by UG personnel) lead to potential conflicts of interest, UG has implemented policies and procedures relating to personal securities transactions and insider trading that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve conflicts appropriately, if they do occur.

Code of Ethics

UG's Code was adopted in accordance with Rule 204A-1 under the Advisers Act ("Rule 204A-1") to govern personal transactions by access persons and to assure that their interests do not conflict with client (or, as applicable, investor) interests. As such, UG's Code includes: (i) standards of business conduct, requiring that persons covered by the Code comply with relevant provisions of the federal securities laws and the fiduciary duties an investment adviser owes to its clients; (ii) personal securities transaction policies governing the personal investment activities of relevant personnel and requiring the submission by such persons of reports regarding their personal trading accounts and activities; and (iii) an insider trading policy, adopted in conformity with Section 204A of the Advisers Act.

Currently, almost all of UG's employees (except very few clerical employees), officers, directors and principals of UG are considered to be access persons for purposes of the Code. Personnel who fail to observe the Code and related compliance policies risk serious sanctions, including dismissal and personal liability.

You may obtain a copy of UG's Code upon request by contacting UG. UG's contact information appears on the cover page of this Brochure.

Standards of Business Conduct

A basic tenet of UG's Code is that the interests of clients (*e.g.*, the Funds) are always placed first. The Code includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. UG's standards of business conduct, among other things, require that access persons: (i) treat clients fairly and consistently with UG's compliance procedures, (ii) provide disinterested advice to clients insulated from personal or business conflicts of interest and (iii) report potential violations of the Code to UG's Chief Compliance Officer ("CCO").

Personal Securities Transactions Policy

UG's Code also includes a personal securities transactions policy which imposes certain requirements and restrictions with respect to personal trading and investment activity by access persons. In particular, the Code requires access persons to obtain the approval of the CCO prior to investing in securities listed on the firm's restricted list or in initial public offerings ("IPOs") and limited offerings (as defined by Rule 204A-1), provided that such pre-approval with respect to interests in a fund will be evidenced through the regular subscription process for such investments. Additionally, UG sets out procedures to be followed for trading in personal securities which include but are not limited to, initial (upon joining UG) and periodic account disclosure (currently on each quarter), a requirement to report on new account opening and a minimum holding period (generally 12 months) for securities. The Restricted List is periodically updated by UG as appropriate to reflect when UG or its personnel are in possession of material, non-public information with respect to securities. In appropriate circumstances, the CCO may grant waivers to the Code's restrictions.

Insider Trading Policy

UG and its related persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, UG may be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless of whether such other person is an advisory client. Accordingly, should UG come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited from communicating such information to, or using such information for the benefit of its managed accounts, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, such accounts when following policies and procedures designed to comply with law. Accordingly, UG's Code includes an "Insider Trading Policy" (in addition to the personal securities transaction policy described above) which establishes procedures to prevent the misuse of material nonpublic information by UG's supervised persons.

Reporting Requirements under the Code

To assist UG in monitoring personal trading activities in order to detect potential conflicts of interest or violations of the Code, fiduciary duty or applicable law, access persons must provide periodic reports with respect to personal securities transactions, holdings and accounts, including annual reports of holdings, reportable securities and quarterly reports of their personal transactions in reportable securities. These reports are submitted to and reviewed by the CCO or the CCO's designate. The CCO's reports and pre-clearance requests will be reviewed by the CEO. If any violation of the Code, fiduciary duty or applicable law with respect to trading activities is determined to have occurred, the CCO may impose sanctions and take such other actions, including, without limitation, requiring that the trades in question be reversed and/or profits be disgorged.

ITEM 12: BROKERAGE PRACTICES

Investment advisory/recommendations and brokerage decisions are made by UG's portfolio advising personnel and traders, with assistance from other relevant personnel. In placing transactions, UG seeks to (i) determine each Fund's trading requirements, (ii) select appropriate trading methods, venues and agents to execute the trades under the circumstances, (iii) evaluate market liquidity of each security and take appropriate steps to mitigate excessive market impact, to the extent practicable, (iv) maintain confidentiality and proprietary information inherent in the decision to trade, and (v) review the results of executions on a periodic basis.

UG's Investment Group and/or trading personnel periodically considers and reviews the firm's trading practices, including the quality of executions received and commission rates paid, in order to determine what changes, if any, should be made in its brokerage arrangements. The goal of this process is to exercise reasonable, good faith judgment to select broker-dealers or other trading venues (collectively, for purposes of this discussion, "**brokers**") that will consistently provide quality execution at acceptable cost. Periodic reviews by UG include: (i) Trades Transacted with the Broker (such as product type, volume, commission charged); and (ii) Periodic Broker Fee Schedule and Service Level Reviews.

The following summarizes UG's policies with respect to its exercise of brokerage discretion on behalf of the Funds.

Selection Criteria for Brokers and Dealers

UG places orders for the purchase or sale of securities with the primary objective of seeking prompt execution of orders at the most favorable net price and execution readily obtainable from responsible brokers at competitive commission rates considering all relevant circumstances. UG insists on a high standard of quality regarding execution services and deals only with brokers that can meet that standard. The commission rates paid are reviewed on a regular basis. UG also places value on brokers who are able to provide useful research assistance and quality client service (for which please refer to below discussions under "'Soft Dollar' or Research/Execution Policy").

UG's objective in selecting brokers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution readily available under the circumstances and given the requirements of the trade for a Fund's portfolio transactions. The best net result, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, UG recognizes that different brokers may have different execution capabilities with respect to different types of securities and transactions, and that no one broker will likely be judged the best at every relevant factor as a general matter or with respect to any particular transaction.

The following list, which is not meant to be exhaustive or exclusive, illustrates some of the factors that UG considers with respect to broker selection:

- UG's knowledge of negotiated commission rates and spreads currently available, to seek to determine whether the broker's rates are competitive and reasonable and the broker's ability to provide the best price, net of brokerage commissions, spreads or other costs;
- the broker's perceived knowledge of, and expertise in, securities, issuers and markets in which Funds invest and the broker's apparent familiarity with the sources from or to whom particular securities might be purchased or sold;

- the nature of the security being traded;
- the size and type of the transaction;
- the desired timing of the trade and the broker's ability to meet UG's required or requested speed of execution;
- the activity existing and expected in the market for the particular security; and
- the quality of research and brokerage services provided by the broker.

The trading team has ultimate discretion, subject to applicable law and any restrictions set forth in the Fund's offering documents, to select the appropriate manner and venue for trading and oversees broker-dealer(s) to ensure that orders are executed timely.

Commission Rates or Equivalents Policy

UG endeavors to be aware of current charges of available brokers and to minimize the expense incurred for effecting Funds' transactions to the extent consistent with the interests and policies of its Funds. As noted above, UG periodically reviews the quality of executions received from the brokers it uses, and may consider the services of other brokers who may be available to execute Funds' transactions, when evaluating UG's efforts in seeking best execution. Any broker that has provided (or who may be reasonably expected to provide) acceptable performance and whose financial condition and commission rates are amenable to UG may be selected to execute transactions for Funds.

UG uses a number of different brokers and may pay higher commission rates to those whose execution capabilities, brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results for the Funds. As part of this determination, UG recognizes that some brokerage firms are better than other firms at executing certain types of orders (and that some brokerage firms are better at executing certain types of orders than other types of orders). Thus, it may be in the best interests of the Funds if UG uses a broker whose commission rates are not the lowest, but whose executions may result in lower overall transaction costs or improved execution quality. The overriding consideration in choosing a broker to execute client orders is to seek to maximize client profits (or minimize losses) through a combination of controlling transaction and securities costs, identifying and obtaining potential improvements in execution quality and seeking the most effective uses of the brokers' relevant capabilities.

"Soft Dollar" or Research/Execution Policy

Brokers typically provide a bundle of services including research and execution of transactions. As noted above, UG may consider research and other services provided by brokers in making trading decisions and, as it deems appropriate, may use a portion of the commissions generated when executing Fund transactions (commonly referred to as "**soft dollars**") to acquire useful research and brokerage services ("**soft dollar items**") in a manner consistent with the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934. Under the safe harbor, as it has been interpreted by the SEC, UG may use soft dollars to acquire soft dollar items, to the extent appropriate and permitted by law, when such items assist UG in meeting the Fund's investment objectives. UG has recently entered into soft dollar commission-sharing agreements with certain of its dealing brokers, from which UG obtains for example research (including proprietary research), market analysis, data and quotation service. UG also receives from brokers involved in executing client transactions certain financial newsletters, trade journals and access to seminars and conferences. As a result, potential conflicts of interest may arise between UG and the Funds because UG does not produce or pay for

these research reports, products or services, but rather uses brokerage commissions generated by Funds' transactions to obtain them. With an aim to facilitate UG's advisory service provided to the Funds, when selecting brokers from which the soft dollar items are received, UG ensures that those soft dollar items are of demonstrable benefits to the Funds. UG has also implemented policies and procedures to ensure that transactions executed with brokers pursuant to these arrangements are conducted in the best execution standard and that any brokerage borne by the relevant Fund will not exceed customary full service brokerage rates for such transactions.

Research services provided by a broker can be either proprietary (created and provided by the broker, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the broker). UG may obtain either type of research and any permissible brokerage service which allows UG, at no direct cost, to among other things: (i) supplement and enhance its own research and analysis activities; (ii) receive the views and information of individuals and research staffs of other securities firms; and (iii) gain access to persons having special expertise on certain companies, industries, areas of economy and market factors.

Thus, in allocating brokerage, and consistent with UG's policies and procedures, UG takes into account the value of permissible soft dollar services provided by a broker, and may pay a higher rate or amount of commissions to brokers who provide soft dollar items, as long as doing so is not inconsistent with the objective of seeking best price and execution for Funds' transactions. UG's policies with respect to the use of soft dollars are generally consistent with the safe harbor except (a) when local laws, rules and regulations applicable to the markets or brokers through which UG executes Funds' transactions impose limitations or restrictions that are in excess of those imposed by Section 28(e), which may limit UG's ability to maximize its use of client commissions for the benefit of the Funds and (b) UG receives some benefits from a broker (such as capital introductions) that are outside the Section 28(e) safe harbor.

Research obtained with soft dollars will not always be utilized by UG for the specific Fund that generated the soft dollar benefits. It should be noted that the value of many soft dollar items cannot be measured precisely and commissions paid for such items certainly cannot always be allocated to Funds in direct proportion to the value of the services to each Fund. Because, as discussed below, UG may batch Funds' transactions, brokerage commissions attributable to one or more Funds may be allocated to brokers who provide statistical data and other research used by UG in advising other Funds, and vice versa.

Allocation and Aggregation Policy

Because the size and mandate of Funds differ, securities held by Funds are not generally identical. In appropriate circumstances, any Fund managed or advised by UG may purchase or sell a security prior to other Funds managed or advised by UG. This could occur, for example, as a result of the specific investment objectives of the Fund, different cash resources arising from contributions or withdrawals, or the purchase of a small position to assess the overall investment desirability of a security. In most circumstances, transactions for each Fund are effected independently and trade orders are therefore placed separately for each Fund, unless UG independently determines to purchase or sell the same securities for several Funds at approximately the same time. As a result, investments are generally not allocated pro rata to the Funds.

However, Funds that are managed or advised to the same or similar strategies may have similar or identical portfolio compositions and weightings and may seek to acquire or dispose of the same securities contemporaneously. As part of the duty to seek best execution and to the extent consistent with relevant investment advisory agreements and Fund Governing Documents, UG may, but is not required to, "bunch" or batch together trade orders for such Funds and allocate the trades, in a manner that is fair and equitable over time, across participating Funds. Use of batch transactions may allow UG to negotiate more favorable prices, obtain more timely, efficient and equitable executions or reduce overall commission charges. While

UG may effect trades in this manner to reduce the overall level of brokerage commissions paid or otherwise enhance the proceeds or other benefits of the trade for the Funds, and because UG may direct transactions to brokers based on both their ability to provide high quality execution and the nature and quality of research services, if any, such brokers provide to UG, a Fund may not always pay the lowest available commission rates when its trades are effected in this manner, so long as UG believes that the batched transaction is consistent with UG's duty to seek best execution.

When aggregating trade orders, UG seeks to aggregate trade orders in a manner that is consistent with its duty to: (i) seek best execution of Funds' transactions; (ii) treat all Funds fairly and equitably over time; and (iii) not systematically advantage or disadvantage any single Fund or group of Funds. When a decision is made to enter into a batch transaction, the results of the transactions will be allocated to all participating Funds in a fair and equitable manner. When a batch transaction results in all component orders being filled in their entirety, each participating Fund will typically participate at the average price paid or received, per share or unit, for the batch transaction (and will pay associated transaction costs based on that Fund's level of participation in the batch transaction), subject to certain size or cost-related exceptions. In the event that an average price allocation is not feasible, for example with respect to trades on exchanges or in instruments that do not facilitate average pricing, each participating Fund will participate at prices and costs that treat each such Fund fairly and equitably over time. When a batch transaction cannot be filled in its entirety, UG will allocate the portion of the batch transaction actually filled on pro rata allocation according to procedures described above.

UG may allocate on a basis other than pro rata, if, under the circumstances, UG believes that such other method of allocation is reasonable, does not result in improper or undisclosed advantage or disadvantage to relevant Funds, and results in fair access over time to investment and trading opportunities for all relevant and eligible Funds. For example, UG may identify investment opportunities that are appropriate for certain Funds but not others (or with respect to which a relatively higher weighting is appropriate for one Fund or group of Funds over others) based on such factors as: investment strategy, objectives and style; risk/return parameters; legal, regulatory and other requirements or restrictions; tax status; Fund size; sensitivity to turnover; available cash and cash flows. Consequently, UG may determine it is appropriate to place a given security in one Fund rather than another, or allocate a security more heavily to particular Funds over others. Other non-pro rata methods include rotational allocation and random allocation. These, and other, alternative methods of allocation are particularly appropriate, for example, when the batch transaction is too small to be efficiently allocated pro rata among participating or eligible Funds.

UG may also consider the following when allocating trades and determining whether or how to use a batch transaction: (i) recent and anticipated cash flow changes (including available cash, redemptions, exchanges, capital additions and capital withdrawals) which may provide a basis to deviate from a pre-established allocation so long as it doesn't result in an unfair advantage to specific Funds or types of Funds over time; (ii) Funds with specialized investment strategies, objectives or restrictions emphasizing investment in a specific category of securities may be given priority over other Funds in allocating such securities; (iii) the size of each Fund's original order; (iv) the Fund's asset size; and (v) the Fund's (and other participating Fund's) current holdings of the security.

Allocation of "New Issues"

UG may from time to time invest Funds in "new issues", as defined in relevant rules established by the Financial Industry Regulatory Authority ("FINRA"). To the extent that an initial public offerings ("IPOs") or other new issues are determined to be invested by the Funds, and to the extent that such investments are subject to the restrictions imposed by FINRA rules, such investments will be allocated fairly and consistently with applicable FINRA rules. Such rules generally provide that broker-dealers, their affiliates and certain other persons ("restricted persons") may not be able to participate in new issues.

To the extent that Funds advised by UG expect to invest in new issues subject to these FINRA rules, UG, on behalf of these Funds, takes measures necessary to ensure compliance with applicable rules which may include, for example, prohibiting or limiting investment by restricted persons or by creating multiple class structures pursuant to which a certain class (or classes) of interests may be issued only to restricted persons while other classes exclude restricted persons.

Non-U.S. markets may also impose restrictions or limitations on investments in IPOs or new issues (as defined under local rules). In certain markets, significant regulations exist with respect to IPOs and an investor's exit from an investment through an IPO. These regulations may impose lock-in restrictions on pre-issuance share capital of unlisted companies and securities issued on a firm allotment basis as well as pricing restrictions on private placements by listed companies, each of which may limit UG's freedom of action with respect to such investments. In some cases, local law requires that IPOs generally be allocated pro rata among all accounts (of any person or adviser) expressing an interest in acquiring shares through the IPO. UG may enter indications of interest on a Fund-by-Fund or aggregate basis and may allocate the resulting fill among participating Funds in accordance with its batch transaction procedures, as described above, which will not necessarily result in each Fund receiving a pro rata share of the IPO when, in UG's discretion, an alternate means of allocation is deemed to be appropriate and in the best interests of participating Funds.

Other Limitations Resulting from Legal, Regulatory or Market Features

UG may engage in certain private transactions not involving a public market for which only a single avenue for execution (*e.g.*, purchase directly from an issuer or the issuer's specified agent) is available. In those cases, UG may be limited in its ability to negotiate costs or terms but will seek, as practicable, to negotiate the most favorable terms reasonably available under the circumstances and to minimize costs associated with such transactions, consistent with achieving the desired investment objective and assuring an acceptable quality of execution.

Certain stock exchanges on which UG may trade are subject to significant regulation. Funds' investments through such exchanges may be affected by regulations relating to the acquisition and sale of shares, which may limit UG's effective level of discretion upon executions of Funds' trading orders or influence the manner or price of transactions. In some cases, other legal or regulatory restrictions or reporting requirements related to certain types of investments or investment thresholds may limit UG's freedom of action or may have an adverse effect on the price or liquidity of a holding. For example, when certain aggregate ownership thresholds (which may apply across all managed Funds or other accounts) are reached, the ability of any Fund to purchase or sell an investment, exercise rights (including voting rights) or engage in transactions may be restricted or impaired or may trigger reporting obligations which would entail the disclosure of UG's or such Funds' interests in the relevant investment or issuer, which may adversely affect price and liquidity. UG may, in its discretion, limit additional purchases, dispose of existing holdings, or refrain from exercising certain rights, when UG believes that doing so is appropriate in light of regulatory requirements or restrictions.

Services Provided by Custodians and/or Prime Brokers

The custodians are appointed by the Funds to hold the funds and securities of a Fund. The identity of, and other relevant information about, the custodian for each Fund is typically contained in the Fund's offering memorandum. When executions of investment orders or trading instructions on behalf of the Funds, UG may select one or more firms to serve as prime brokers and may have the right, subject to the relevant Fund's governing documents, to change relevant brokerage arrangements with the prime brokers.

A prime broker may also serve as a custodian. In addition to custody and execution, a prime broker may provide other core functions (such as reporting, clearing, financing, securities lending, and client service) as well as value added items (such as capital introductions, advanced research and analytics and technology services) to the Funds. UG may take advantage of some or all of these value added functions with respect to any particular Fund it advises. Certain of these services may be outside the soft dollar safe harbor. However, pursuant to above discussions under "Soft Dollar" or Research/Execution Policy", in all cases where such soft dollar benefits are retained by UG, UG shall ensure that transaction execution is consistent with best execution standards and that any brokerage borne by the Fund will not exceed customary full service brokerage rates for such transactions. Further, soft dollar benefits can only be retained if they are of demonstrable benefit to the Fund and are permitted to be retained under applicable laws and rules. UG will comply with applicable regulatory rules and industry standards applicable to such benefits.

ITEM 13: REVIEW OF ACCOUNTS

Reviews. UG monitors market exposure of Funds it advises on a daily basis and reviews on their investment activity on a weekly basis, by UG's personnel involving in risk management, trading and portfolio advising and also including Chief Investment Officer and Chief Executive Officer. Such reviews are conducted on a continual basis by the above group and each review includes, but is not limited to, an analysis of the Funds' portfolio positions, market trends, and investment opportunities. The Funds' NAV is calculated monthly and verified by the Administrator.

Reports. UG currently releases written monthly factsheets to the Funds' investors through a password protected website. The factsheets include the Funds' investment portfolio, monthly and accumulated returns, performance returns, UG's own reviews and outlook, and statistical performance analyses. Investors will also receive on an annual basis the Funds' audited financial statements in accordance with its governing documents. Unaudited interim reports may also be prepared and made available to investors if the Board of Directors of the Funds so determines. As noted in Item 15 below, U.S. investors in the Funds will receive, within 120 days following the Funds' fiscal year end, audited financial statements that are consistent with US GAAP but prepared under locally relevant accounting standards (currently, HKFRS) with material differences being reconciled to US GAAP.

UG may rely on information provided by third parties in preparing reports and third party may assist in preparing or distributing reports, as noted above. To the extent reports include or rely upon information from a source other than UG (*e.g.*, index information when a report includes a comparison of a Fund's performance to one or more indices), UG attempts to obtain such information from reliable sources, however the accuracy of such information cannot be guaranteed. Additionally, reports may include or rely upon fair value determinations made by UG or a third party. While such valuations are made in good faith, their actual or empirical accuracy cannot be guaranteed.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Although UG does not currently engage solicitors with respect to U.S. clients, it may pay a fee to placement agents in the US with respect to U.S. persons who invest in the Fund. Each placement agent's fee will be outlined in a written agreement that defines the duties and responsibilities of the placement agents between each respective placement agent and UG. Such amounts will be paid by UG or from certain fees payable by the Fund to UG.

UG may have an incentive to direct custody, brokerage, prime brokerage or other business to a financial institution based on certain services that are provided by such financial institutions, as described below, which may conflict with a Fund's best interests. For example, UG may select as a prime broker or custodians that will provide specific services in addition to execution and custody. These services, which are commonly provided by prime brokers and custodians, may include electronic access to portfolio information and trade confirmations, bulk mailing of or internet access to statements and other communications or information to investors, and access to specialized personnel. Such services can yield increased administrative ease and profitability for UG. Currently, custodian of the Funds is appointed by the Funds directly.

UG also participates in capital introduction events hosted by third-party financial institutions (including prime brokers and custodians) to promote awareness of the hedge fund industry including funds managed or advised by UG. Participation in events that lead to persons becoming investors in the Funds benefits UG and, to the extent provided by a prime broker or custodians can also benefit the prime broker or custodian in that an increase in the size of the Fund would likely result in additional compensation or other benefits to a prime broker or custodian. For example, a prime broker may be entitled to sell, loan or otherwise use a Fund's portfolio securities (securities so used being referred to herein as "**Collateral**") for its own purposes or the purposes of any third party, and the Fund has a contractual right against the prime broker for the return of assets equivalent to the Collateral. Collateral may not, therefore, be recoverable in full in the event of the prime broker's insolvency. The use of a prime broker and these arrangements subject the Fund to the risk that the relevant counterparty will not be able to meet its obligations to UG and/or the Fund.

UG compensates supervised persons of UG for investor referrals by paying portion of the subscription charges and advisory fees that it receives (*e.g.* UG does not pay out additional compensations. Rather, UG pays out such compensations from the subscription charges and the advisory fees that an investor shall pay for subscribing for and investing into a Fund). However, UG will not do so with respect to U.S. clients or investors. Apart from such payments, neither UG's directors nor its supervised persons have any interest in either the promotion of the Funds or in the Funds' business or in any transaction effected for the Funds for the time being.

ITEM 15: CUSTODY

Under the “regulation lite” regime, a non-U.S. adviser (a “**non-U.S. adviser**”), such as UG, is permitted to treat the non-U.S. funds that it manages as its clients for all purposes of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) other than for certain registration and reporting sections. The investors in the non-U.S. funds are not treated as the non-U.S. adviser’s clients for these purposes. Thus, U.S. investors in non-U.S. funds that are managed by a non-U.S. adviser are not considered U.S. clients of the non-U.S. adviser.

Accordingly, most of the substantive provisions of the Advisers Act, including the rules relating to custody, would not apply to UG with respect to the Funds (which are non-U.S. funds). UG and the custodian to the Funds will, however, be subject to the laws and regulations in their countries of residence.

Under the circumstance that UG provides direct investment management services for U.S. qualified clients on a discretionary basis, such clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client’s investment assets. Currently, UG does not have any U.S. clients.

With respect to U.S. clients (or with respect to any Funds that UG determines to apply the Advisers Act custody requirements), UG may be deemed to have “custody” of a Fund’s assets within the meaning of Rule 206(4)-2 under the Advisers Act, to the extent that such arrangements may have provided UG or its related persons with access to or authority over the Fund’s cash and securities for purposes other than issuing trading instructions. To comply with this Rule, UG would provide each U.S. investor in the Fund with audited financial statements within 120 days following the Fund’s fiscal year end as described in Item 13, above.

A majority of the Fund’s assets are held and maintained by a reputable financial institution with a qualified credit rating (LT rating (group wise), Moody’s “A3” with stable outlook and S&P “A-” with stable outlook) that acts as Custodian and Administrator. The Fund’s Administrator now provides annual account statements, reflecting the current value of the account and any transactions that have occurred during the period, directly to each investor and permits investors to electronically access account status and details.

ITEM 16: ADVISORY SERVICE

Pursuant to the Investment Management Agreement entered into between UG and the Funds in December 2019 (by replacing and in substitution of an investment management agreement previously entered into whereby UG provided management of the Funds' assets/investments on a discretionary basis), UG provides management of the Funds' assets/investments on a non-discretionary basis. That is, subject only to the Funds' investment objectives, policies and restrictions and such other limitations as may be set forth in the relevant governing documents of the Funds, UG provides investment advice and recommendations to the Funds and other products include without limitation to:- (i) advising on and assisting in implementing any investment strategies; (ii) monitoring the investment programme and composition of the investment; (iii) controlling and analyzing the performance of the investments as well as the associated risks; and (iv) advising on and executing trades on behalf of the Funds. UG's advisory services or products may also be limited by resolution of, or other lawful orders and directions given from, the Funds' Board. The Funds are collective investment vehicles which are managed in the interests of the investors as a whole and UG will not tailor the investment services provided to the Funds to suit any particular investor.

ITEM 17: VOTING CLIENT SECURITIES

Investors in a Fund cannot direct how proxies for securities held in the Fund are voted and therefore UG is generally responsible for voting proxies with respect to securities held in the Fund. UG has adopted Proxy Voting Policies and Procedures (the “PVPs”) pursuant to Rule 206(4)-6 under the Advisers Act. These PVPs provide that, in cases where UG has proxy voting authority and deems it in the best interest of the Fund to exercise that authority, it will vote proxies in accordance with the PVPs and in an effort to maximize value of the relevant Fund(s). The following is a summary and does not represent UG’s entire PVPs. U.S. investors may receive a copy of the PVPs, as well as information on how proxies were voted for the Fund, by contacting UG using the contact information on the front page of this Brochure.

Under the PVPs, UG has ultimate authority with respect to proxy voting, including: (i) receiving proxy solicitations; (ii) determining whether UG has a material conflict of interest that would interfere with its ability to vote a proxy; (iii) voting (or refraining from voting) in the best interests of each relevant account, when no such conflict has been identified; and (iv) determining how an identified conflict should be addressed. UG generally seeks to vote all proxies that are timely received; however it may not be practical or may not be in the Fund’s best interests to vote every proxy. Where a Fund invests in securities via market access instruments (*e.g.*, swaps, warrants, notes) or third-party license-holders (*e.g.*, QFII or RQFII license-holders), it generally does not have a direct right to vote or receive a proxy with respect to such securities or instruments. There are other circumstances that UG may refrain (or be precluded) from voting proxies where: (i) the cost of exercising a vote materially outweighs the benefit (*e.g.*, where in person voting is required, where material is in a foreign language or otherwise does not provide sufficient background information to allow UG to make a reasonable voting decision, where there is substantial delay in receiving the proxy materials or where voting would limit a Fund’s ability to engage in subsequent transactions in the subject issuer); (ii) where the securities are no longer held on the meeting date; (iii) where proxies were not received with sufficient time to make an appropriate voting determination and cast a vote; and (iv) where the exercise of voting rights is restricted or prohibited by the terms of the security, by applicable law, or otherwise (*e.g.*, where a Fund holds an interest in an issuer indirectly where voting rights are not conferred with respect to the underlying equity).

UG acknowledges its responsibility for identifying material conflicts of interest prior to voting proxies. Relevant personnel of UG are expected to disclose to the CCO any personal conflicts (personnel having such conflicts will be prohibited from participating in voting decisions). The CCO will also consider whether UG has any business relationships with a soliciting issuer or another party interested in the proxy measure. The following measures may be employed when a conflict of interest is identified to insulate the voting decision from the conflict: (i) voting as directed by the Fund’s governing documents; (ii) voting as determined by UG’s Investment Group (or a sub-set thereof) to the extent that the Investment Group can be insulated from the conflict in determining a resolution that is fair and in the best interests of the Fund; (iii) disclosing the conflict to the Fund’s board of directors and obtaining voting instructions or consent; (iv) voting based on the recommendations of an independent third-party, such as a proxy voting service, consultant or legal counsel; or (v) mirror voting the proxies in the same proportion as the votes of other proxy holders. In making voting decisions in the absence of a conflict, UG has discretion to take action in the manner it believes to be in the Fund’s best interests. UG believes that a Fund’s “best interest” is served by voting in a manner believed to improve the Fund’s economic interest in the subject security over the long term. That is, each Fund’s best interest is the common interest that the Fund, as a shareholder in the soliciting issuer, shares with other shareholders in seeing the value of a common investment increase over time and irrespective of any political or social interests of UG or an investor.

ITEM 18: FINANCIAL INFORMATION

Not Applicable.