

## **PART 2A OF FORM ADV BROCHURE**

### **CEDERBERG CAPITAL LIMITED**

91 Jermyn Street, London, SW1Y 6JB

Attention: Compliance Officer  
Telephone: +44 (0) 20 3745 1701  
Email: [info@cederbergcap.com](mailto:info@cederbergcap.com)

**CRD Number 297836**

**March 10, 2023**

This Brochure provides information about the qualifications and business practices of Cederberg Capital Limited.

If you have any questions about the contents of this Brochure, please contact us at +44 20 3745 1701 or email [info@cederbergcap.com](mailto:info@cederbergcap.com). You may also visit our website at <https://cederbergcap.com>.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cederberg Capital Limited also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and the Financial Conduct Authority's website at <https://www.fca.org.uk/>.

Registration of an Investment Adviser does not imply that Cederberg Capital Limited or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

## **Item 2: Material Changes**

The purpose of this page is to inform you of material changes since the last annual update to this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Cederberg Capital Limited (“Cederberg”, “we”, “our”, “the Firm”, or “us”) reviews and updates our brochure at least annually to confirm that it remains current. Listed below are the material changes that we have made to the information in our brochure since our last annual amendment made June 30, 2022.

In April 2022 Dawid Krige split his 64% shareholding in Cederberg Capital (Cayman), a holding company which owns Cederberg in its entirety, with his wife, Michelle Krige. There is no expectation of any material changes to Cederberg Capital’s business as Dawid will continue to retain all founder’s rights and privileges.

## Contents

<b>Item 2: Material changes .....</b>	<b>2</b>
<b>Item 4: Advisory Business .....</b>	<b>4</b>
<b>Item 5: Fees and Compensation .....</b>	<b>5</b>
<b>Item 6: Performance-Based Fees and Side-by-Side Management .....</b>	<b>7</b>
<b>Item 7: Types of Clients.....</b>	<b>8</b>
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>9</b>
<b>Item 9: Disciplinary Information .....</b>	<b>16</b>
<b>Item 10: Other Financial Industry Activities and Affiliations.....</b>	<b>17</b>
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>18</b>
<b>Item 12: Brokerage Practices .....</b>	<b>19</b>
<b>Item 13: Review of Accounts.....</b>	<b>20</b>
<b>Item 14: Client Referrals and Other Compensation .....</b>	<b>21</b>
<b>Item 15: Custody.....</b>	<b>22</b>
<b>Item 16: Investment Discretion.....</b>	<b>23</b>
<b>Item 17: Voting Client Securities .....</b>	<b>24</b>
<b>Item 18: Financial Information.....</b>	<b>25</b>

## Item 4: Advisory Business

Cederberg Capital Limited (“Cederberg”, “we”, “our”, “the Firm”, or “us”) is a London-based investment adviser specialising in Greater China equities. The Firm is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom and is registered with the Securities and Exchange Commission (“SEC”) in the United States. Dawid Krige and family are the majority owners through their interest in Cederberg Capital (Cayman), which owns Cederberg in its entirety. Dawid, who serves as CEO of Cederberg, co-founded the Firm in December 2011.

The Firm’s clients include unregulated collective investment schemes (“funds”) and separately managed accounts (“Accounts”) intended for institutional investors and sophisticated investors. The Firm provides investment advisory services to these clients on a discretionary basis and concerning Greater China equities. Cederberg also has a mandate to make recommendations only to an FCA regulated UK investment adviser in relation to Greater China companies.

The Firm provides advice to clients based on specific investment objectives and strategies. Clients may impose restrictions on the Firm as defined in the prospectuses or legal agreement with the client.

The funds managed by the Firm are as follows:

Fund	Short name	Type of fund
<b><i>Unregulated funds</i></b>		
Cederberg Greater China Equity Fund	n/a	Private fund (Cayman Islands)
Cederberg Greater China Equity Master Fund	n/a	Private fund (Cayman Islands)
Cederberg Greater China Equity Fund LP	n/a	Private fund (Delaware LP)

Cederberg Greater China Equity Fund and Cederberg Greater China Equity Fund LP are feeder funds that invest only in the associated Cederberg Greater China Equity Master Fund.

Each fund managed by the Firm may contain different share classes, which differ in matters such as redemption terms and fees.

The information contained in this Brochure summarises the details contained within the prospectuses prepared for each of the funds. The Brochure is not required to provide all the information a prospective investor will need before investing. Please refer to the prospectus for more details.

As of the 30<sup>th</sup> of April 2022, the Firm managed \$1,667,105,900 of client assets on a discretionary basis and made recommendations (see above) on a further US\$166m of assets.

## Item 5: Fees and Compensation

### Management Fees for Funds

The Firm charges clients a management fee. For the funds, these fees are based on the Net Asset Value ("NAV") of each share class, as defined in the prospectus. Fees are deducted from each feeder fund monthly, only in respect of the period for which the fund was managed and are payable in arrears. Management fees for the Accounts are in line with market rates and depend on the AUM of the portfolio.

The fee schedule for the funds varies between share classes in those funds (see the prospectus for more detail). A summary of the current fund fee schedule is set out below:

Fund	Fee range
<i>Feeder funds</i>	0% - 1.5% p.a.

### Management Fees for Accounts

Fees are negotiable at the Firm's sole discretion, which may, in its sole discretion, charge a lesser fee within the range based upon criteria, such as anticipated future earning capacity, anticipated future, related accounts, account composition, and other factors. The Management Fee will be prorated for any subscription or redemption by a Shareholder that is effective other than as of the first day of a month or last day of a month, respectively. The Management Fee will be calculated by reference to the Net Asset Value before deduction for any accrued Incentive Fee or Management may take into consideration the aggregate assets under management with the Firm. The Firm may charge a higher fee within the range for accounts or relationships with multiple objectives, specific reporting requirements, portfolio restrictions, or other complexities. Additionally, fees may be charged in the form of a tiered fee schedule with a range of 0.75% to 1.50%, a performance fee as further described below in Item 6 (Performance-Based Fees and Side-by-Side Management), or any combination of the two at the Firm's sole discretion.

### Other fees

Other fees that may be charged to fund clients are set out below:

#### *Administrator fees*

Fees are charged on a sliding scale depending on the value of assets managed. The Administrator will also be reimbursed for any reasonable out-of-pocket expenses or costs necessarily incurred in the performance of its duties as set out in the administrator agreement.

#### *Custodian fees*

Custodian fees will not exceed standard commercial rates. They may also levy transaction charges and other charges, which can include Value Added Tax where applicable.

#### *Other fees and expenses*

Other fees and expenses charged may include the following:

The Master Fund will be allocated the expenses of the Funds unless otherwise determined by the Directors (for payment out of the assets of the Master Fund), including the costs and expenses of (i) all transactions carried out by them or on their behalf and (ii) the administration of the Funds and/or the Master Fund which include, without limitation (a) all of the charges and expenses of legal advisers and independent auditors, (b) all brokers' commissions (if any), borrowing charges on securities sold short and any issue or transfer taxes or stamp duties chargeable in connection with any securities

transactions, (c) all taxes and corporate fees payable to governments or agencies and registered office fees, (d) all reasonable legal fees and expenses incurred by the Manager or Investment Advisor in connection with its services, (e) all Directors' fees (if any) and expenses, (f) all interest on borrowings, (g) all communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (h) all of the costs of insurance (if any) for the benefit of the Directors, (i) all litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (j) certain Custodian and Administrator costs, and (k) all other organisational and operating costs, expenses, levies, and taxes.

Feeder funds will ultimately bear a *pro-rata* share of the expenses of the Master Fund (including the expenses allocated to the Master Fund by any feeder fund). Except as otherwise provided in their prospectuses, any such expenses, other than the Management Fee and the Incentive Fee, will be shared on a *pro-rata* basis by all of the designations of shares. Any material expenses attributable to a particular designation will be allocated solely to such designation, including, without limitation, any costs of currency hedging. To the extent that the Manager or the Investment Advisor pays expenses to be borne by the Master Fund or funds, the Master Fund or funds will reimburse such party for such expenses.

Should any of the expenses listed above be incurred jointly for the account of the Funds and any accounts, such expenses will be allocated among the Funds and such accounts in proportion to the size of the investment made by each to which such expense relates, or in such other manner as the Board of Directors considers fair and equitable.

Certain of the Funds' organisational, reorganisational and offering expenses are, for accounting purposes, being amortised by the Fund for up to 60 months starting from the first anniversary of the commencement of the Fund's operations. The Board of Directors has the discretion to change such policy at any time. Amortisation of such expenses over a period of up to 60 months is a divergence from IFRS, which may, in certain circumstances, result in a qualification of the Fund's annual audited financial statements. In such instances, the Board of Directors may decide to (i) avoid the qualification by causing the Funds to recognise the unamortised expenses or (ii) make IFRS conforming changes for financial reporting purposes but amortise expenses for purposes of calculating the Funds' Net Asset Value. There will be a divergence in the Funds' fiscal year-end net asset value and in the net asset value reported in the Funds' financial statements in any year where, pursuant to clause (ii), IFRS conforming changes are made only to the Funds' financial statements for financial reporting purposes. If the Fund is terminated before the end of the period over which expenses are being amortised, any unamortised expenses will be recognised. If a Shareholder redeems all or part of its shares prior to the end of the amortisation period, the Board of Directors may, but is not required to, accelerate a proportionate share of the unamortised expenses based upon the amount being redeemed and reduce redemption proceeds by the amount of such accelerated expenses.

Other fees that may be charged to Fund clients are set out below:

Fees for investment management do not include custodian fees. Clients pay all brokerage commissions, stock transfer fees, margin interest and fees, and/or other similar charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees client pays to Cederberg. See Item 12 (Brokerage Practices) below for more information.

## Item 6: Performance-Based Fees and Side-by-Side Management

The Firm is also entitled to receive an incentive allocation from the following funds as well as certain accounts:

Fund	Fee range
Cederberg Greater China Equity Fund	20-25% (high watermark and benchmark and/or hurdle applies)
Cederberg Greater China Equity Fund LP	20-25% (high watermark and hurdle applies)

For funds where an incentive allocation is due, this is calculated and payable annually based on the increase in the NAV per share of each class within each fund. No incentive allocation becomes due unless the NAV exceeds the previous high point (termed a high watermark). For accounts, any applicable incentive allocation is calculated and payable annually based on the increase in account value. No incentive allocation becomes due unless the high watermark is met.

Some funds also have additional ‘hurdles’ which have to be surpassed, i.e., to outperform a specific benchmark or achieve a certain percentage absolute hurdle return. Depending on the fund performance, fees are deducted from the portfolio annually in arrears and may not be chargeable to all share classes within a particular fund. Performance fees are included in the NAV and are not charged separately.

No other fees are charged to the funds, save as set out in the prospectus.

Certain client accounts may have higher asset-based fees or more favourable performance-based compensation arrangements than other accounts. When the Firm and its staff manage more than one client account, a potential conflict exists for one client account to be favoured over another client account. The Firm and its staff may have a greater incentive to favour client accounts that pay the Firm performance-based compensation or higher fees.

The Firm is aware of such potential conflicts and has adopted and implemented policies and procedures to address conflicts of interest relating to managing multiple accounts. The practises and processes of the Firm relating to the allocation of investment opportunities require the Firm to attempt to allocate them in a manner that is in the best interests of all the client accounts involved. The Firm will, in general, allocate investment opportunities believed to be appropriate for more than one client account between such client accounts on a pro-rata basis in proportion to the AUM of clients. The Firm evaluates for each client account various factors that may be relevant in determining whether a particular situation or strategy is appropriate and feasible for the client account at a particular time. Considerations include the nature of the investment opportunity taken in the context of the other investment or regulatory restrictions on the client account and the transaction costs involved. Periodically, the Firm prepares a schedule comparing allocations between advisory accounts within the same strategy for review by the governing bodies and fund directors.

## Item 7: Types of Clients

### Funds

The Firm manages pooled investments ("funds") as described above under Item 4 (Advisory Business). Each fund where the Firm acts as investment adviser specifies minimum subscription limits with subscription and redemption terms being applicable. These may vary between share classes – see prospectus for more detail. Minimum subscription limits and redemption terms by fund are as follows:

Fund	Minimum subscription	Notice to redeem	Redemption pay out period
Cederberg Greater China Equity Fund	US\$ 100,000	90-180 days	25% of outstanding shares/partial redemption requested per calendar quarter, paid within 30 days of redemption date
Cederberg Greater China Equity Fund LP	US\$ 1,000,000	180 days	Within 30 days of redemption date, subject to notice period.

Investors may subscribe to Cederberg Greater China Equity Fund and Cederberg Greater China Equity Fund LP on the first business day of each month. Subsequent redemptions may be made on the first business day of each month provided relevant notice has been given to the fund administrator and subject to the redemption terms summarised in the table above – see prospectus for relevant detail.

### Accounts

Outside of our management of the Funds, Cederberg also provides investment advisory services to separately managed accounts. Our separately managed account client currently consists of a Foundation. Minimum account sizes vary and are determined at the Firm's discretion, as described above in Item 4 (Advisory Business).



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

### Methods of Analysis

The Firm's method of analysis focuses on deep fundamental research of potential investee companies. The emphasis is on single stocks using proprietary valuation models. The main sources of information the Firm uses include:

- Primary research and on-the-ground due diligence, including with customers, suppliers and staff
- Annual reports, prospectuses, filings with regulators
- Company press releases
- Meetings with companies' management
- Research materials provided by third parties

Equities are the main focus of investments, generally in large-cap listed companies, and consequently, the funds expect to have a high degree of liquidity in normal market conditions. The funds invest globally, and the typical investment horizon is 3-5 years.

### Investment Strategies

The investment approaches adopted in respect of each of the funds managed are as follows:

#### Unregulated funds

##### Investment Objective

The Funds' investment objective is to seek to maximise long-term capital growth. The feeder funds will pursue their investment objective by investing substantially all assets directly or indirectly in the Master Fund. The Master Fund will pursue this investment objective by investing primarily in a portfolio of listed equity securities of Greater China Companies (as defined below). In pursuit of this objective, the Master Fund will aim to outperform the MSCI Golden Dragon Net Total Return Index ( "Index") over the full market cycle (3-5 years) at a level of risk which is equivalent to, or lower than, that of the Index.

As per the prospectuses, a "Greater China Company" is any company with at least 50% of its revenue or earnings coming from its operations in China, Hong Kong and Taiwan ("Greater China"), or with more than 50% of its productive assets based in Greater China. Greater China Companies may list their securities on securities exchanges other than those in Greater China, and the Master Fund may invest in those securities. The Master Fund may also invest in companies that benefit from exposure to the Greater China economic region. Notwithstanding the foregoing, there are no limitations on the types of assets, securities, futures, or other financial instruments in which the Master Fund may invest while seeking to achieve its investment objective.

The Master Fund typically seeks to invest in equity securities that the Investment Advisor believes offer superior value considering their business or growth prospects. To identify suitable investment opportunities, the Investment Advisor conducts proprietary fundamental research, valuing businesses based on their long-term prospects. The investment process includes an evaluation of factors such as the company's perceived ability to generate superior growth in cash flow and earnings, management quality, the competitive environment, and balance sheet strength. While the Master Fund typically takes a long-term view on investing, it may engage in short-term trading opportunities.

Portfolios are constructed from the "bottom-up" based on a series of individual security selections without paying adherence to the composition of any stock market indices. In constructing the portfolio, the Investment Advisor considers each security's expected risk and reward and compares it to the rest of the portfolio and the opportunity set. The portfolio's overall equity exposure is driven by the number of attractive

investment ideas that the Investment Advisor has been able to find.

The Master Fund may hedge any or all general and specific risk exposures, and the Master Fund may pursue opportunities to profit from speculative short positions. Hedges and short positions may be constructed inter alia through short selling individual equity or debt securities, selling index swaps or futures, and buying or selling derivatives on individual securities, futures, or indexes. Derivative instruments may be exchange traded or over-the-counter. It is not the intention of the Master Fund to hedge all risks at all times and the Master Fund may run significant directional long exposure to Greater China securities markets. Indeed, it is expected that the Master Fund will typically have between 70-100% net exposure to Greater China equities.

When a few undervalued securities are to be found, the Master Fund may maintain a substantial portion of its assets in cash or cash equivalents (including money market funds) and cash, cash equivalents, or other assets may be used as collateral.

Additionally, the Firm takes various ESG factors into account when constructing client portfolios. While our primary goal is to generate attractive long-term returns by investing in high-quality companies run by excellent management as described above, we conduct in-depth fundamental research to identify durable businesses trading at a significant margin of safety. Once we have made an investment, we aim to hold it for the long run. ESG factors are central to a company's durability and therefore integral to our investment process.

We apply a principles-based rather than a rules-based approach when carefully assessing the above and we will only invest in a company if we are comfortable with the ESG factors. We are also mindful of the fact that regulation could play a role in this area; as China's approach to ESG catches up with Western standards, we may see companies that the government deem to be lacking in their ESG credentials be penalised for falling by the wayside.

Accounts are managed on a discretionary basis in relation to Greater China Equities and will utilise similar strategies, although they are not necessarily managed in parallel.

## **Risk of Loss Factors**

An investment in the funds or Accounts involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the funds or Accounts' investment program will be successful, or that the funds' returns will exhibit low correlation with an investor's traditional securities portfolio. Investing in securities involves risk of loss that clients should be prepared to bear.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in each of the funds. Prospective investors are urged to consult their professional advisers and the fund prospectuses before deciding to invest in the funds.

However, risk management is an integral part of the funds and Account's investment approach. Judgments with respect to the possibility of permanent capital loss, portfolio diversification, liquidity and other factors overlay the investment process and influence investment and hedging decisions.

Prospective investors should consider the following additional factors in determining whether an investment in the Fund is a suitable investment.

## **General Risks**

**A Limited Operating History.** The funds have a limited operating history upon which prospective investors can evaluate the anticipated performance of the funds. The past performance of the Investment Advisor or its affiliates may not be indicative of the future performance of the funds.

**Dependence on Key Individuals.** Shareholders have no authority to make decisions on behalf of the funds. The success of the funds depends upon the ability of key members of the Manager's team to develop and

implement strategies that achieve the required investment objective. If the funds were to lose the services of these members, the consequence could be material and adverse and could lead to the premature termination of the funds.

**Legal, Tax and Regulatory Environment for Private Investment Funds.** The legal, tax and regulatory environment worldwide for private investment funds and their managers is evolving, and changes in the regulation of private investment funds, their managers and their trading and investing activities may have a material adverse effect on the ability of the funds to pursue its investment program and the value of investments held by the funds. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the funds to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the funds and the Limited Partners' investment therein. In addition, the General Partner may, in its sole discretion, cause the funds to be subject to certain laws and regulations if it believes that an investment or business activity is in the funds' interest, even if such laws and regulations may have a detrimental effect on one or more Limited Partners.

**Alternative Investment Fund Managers Directive.** The AIFM Directive regulates: (i) AIFMs based in the EU, such as the Investment Advisor; (ii) the management of any AIF established in the EU (irrespective of where an AIF's AIFM is based); and (iii) the marketing in the EU of the securities of any AIF whether conducted by an EU AIFM, a non-EU AIFM or a third party. To obtain and maintain authorisation to manage the funds in the EU, the Investment Advisor is required to comply with numerous obligations concerning its operations and those of the AIFs that it manages, which may create significant compliance costs and burdens.

Any regulatory changes arising from implementing the AIFM Directive may increase the funds' expenses, the Manager or the Investment Advisor related to compliance therewith. As a result, such regulatory changes may have a material adverse effect on the Master Fund's ability to achieve its investment objective.

**MiFID II.** The package of European Union market infrastructure reforms known as "MiFID II" came into effect from the 3<sup>rd</sup> of January, 2018. MiFID II increased regulation of trading platforms and firms providing investment services in the European Union.

Among its many market infrastructure reforms, MiFID II has brought in: (i) significant changes to pre-and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on the regulation of algorithmic and high-frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets. They may result in significant increases in transaction costs.

In the Investment Advisor's experience, the resulting changes in the available trading liquidity options and increases in transactional costs do not adversely affect the Investment Advisor's ability to execute the investment program.

The rules requiring unbundling the costs of research and other services from dealing commission and further restrictions on the Investment Advisor's ability to receive certain types of goods and services from brokers may also increase the investment-related expenditure of the funds.

**Legal Risk.** Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, the funds may be subject to unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries

where the funds invest assets. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the funds and its operations.

**Cybersecurity Risk.** As part of its business, the Investment Advisor processes, stores, and transmits large amounts of electronic information, including information relating to the transactions of the Master Fund and personally identifiable information of the Limited Partners. Similarly, service providers of the Manager, the Investment Advisor, the General Partner, the funds, or the Master Fund, especially the Administrator, may process, store, and transmit such information. The Investment Advisor has procedures and systems that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Advisor may be susceptible to compromise, leading to a breach of the Investment Advisor's network. The Investment Advisor's systems or facilities may be vulnerable to employee error or malfeasance, government surveillance, or other security threats. Online services provided by the Investment Advisor to the Limited Partners may also be susceptible to compromise. Breach of the Investment Advisor's information systems may cause information relating to the transactions of the Master Fund and personally identifiable information of the Limited Partners to be lost or improperly accessed, used or disclosed.

The service providers of the Manager, the Investment Advisor, the General Partner, the funds, and the Master Fund are subject to the same electronic information security threats as the Investment Advisor. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Master Fund and personally identifiable information of the Limited Partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Investment Advisor's, the Master Fund's or the funds' proprietary information may cause the Investment Advisor, the Master Fund, or the fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the funds and the Limited Partners' investments therein.

**Coronavirus or Pandemic Risk.** The global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and both governmental and non-governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national, and global economy. A pandemic such as COVID-19 may impact the ability of Cederberg to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate, and travel to the extent necessary. The spread of any contagious and debilitating health condition among firm personnel and its service providers may also affect Cederberg's ability to properly perform our duties.

**Limited Liquidity.** An investment in the funds provides limited liquidity since the Interests are not freely transferable. Generally, a Limited Partner has the right to withdraw any amount from its Capital Account only according to the Partnership Agreement terms (as described in "Withdrawals"). The funds may invest a portion of its assets in financial instruments that are not publicly traded. The funds may not be able to dispose of such non-publicly traded financial instruments readily and, in some cases, may be contractually prohibited from disposing of such securities for a specified period. Accordingly, the funds may be forced to sell more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities and/or assets. The funds may also suspend the withdrawal rights of the

Limited Partners.

An investment in the funds is suitable only for sophisticated investors who do not require immediate liquidity for their investment.

**Tax Considerations.** The Investment Advisor may or may not take tax considerations into account in determining when the funds' securities positions should be sold or otherwise disposed of and may or may not assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

**Counterparty Risk.** Some of the markets in which the funds may affect transactions are not "exchange-based", including "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and supervision of over-the-counter markets carries the risk that a counterparty will not settle a transaction per its terms and conditions – whether due to a dispute over contract terms (whether or not *bona fide*) or because of a credit or liquidity problem. Such an event could thus cause the funds to suffer a loss. "Counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement or where the funds have concentrated their transactions with a single or small group of counterparties. Generally, the funds will not be restricted from dealing with any particular counterparties. The Investment Advisor's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and "foolproof" assessment of the financial capabilities of the funds' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the funds.

**Counterparty Default.** The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that the funds will monitor on an ongoing basis the creditworthiness of firms with which it will enter into over-the-counter derivative transactions. If there is a default by the counterparty to such a transaction, the funds will, under most normal circumstances, have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs, resulting in the net asset value of the funds being less than if the funds had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the funds' counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the funds' securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer. Investors should assume that the insolvency of any counterparty would result in a loss to the fund, which could be material.

**Liquidity Risks Generally.** Liquidity is important to the funds' businesses. During volatile markets or when trading in a security or market is otherwise impaired, such conditions may impact the liquidity of the funds' portfolio positions. In addition, the fund may, from time to time, hold significant positions with respect to a specific type of financial instrument, which may reduce the funds' liquidity. During such times, the fund may be unable to dispose of certain investments, including longer-term investments, which would adversely affect its ability to rebalance its portfolios or meet withdrawal requests. In addition, such circumstances may force the fund to dispose of assets at reduced prices, thereby adversely affecting its performance. Suppose other market participants are seeking to dispose of similar securities at the same time. In that case the fund may be unable to sell such investments or prevent losses relating to such investments. Furthermore, if the fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the funds' counterparties could incur losses of their own, thereby weakening their financial condition and increasing the funds' credit risk.

**Illiquid Portfolio Instruments.** Investments that lack liquidity and/or a readily assessable market value will generally be carried on the books of the funds at fair value (which may be approximated by cost) as



reasonably determined by the Investment Advisor. There is no guarantee that fair value will represent the value the funds will realise on the eventual disposition of the investment or that would be realized upon an immediate disposition of the asset.

Any such adverse effects may be exacerbated if such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel the funds to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the funds' equity.

**ESG:** There is no guarantee that ESG based Exclusions and ESG Engagement will result in the optimal asset allocation or portfolio construction leading to optimal returns. ESG considerations may be based on company disclosures or third-party information sources that are forward looking statements of intent and not necessarily fact-based or objectively measurable. This lack of uniformity and objective metrics can lead to missed opportunities or miscalculations as to the realized future impact of perceived positive and negative ESG factors on company fundamentals, leading to less than desired investment outcomes.

**No Material Limitation on Strategies.** While it is the Investment Advisor's current intention to invest a substantial portion of the funds' assets in the strategies described under "Investment Program", the funds will be permitted to opportunistically implement whatever strategies or discretionary approaches the Investment Advisor believes from time-to-time may be best suited to prevailing market conditions. There can be no assurance that the Investment Advisor will successfully apply any strategy or discretionary approach to the funds' trading.

**The Concentration of Investments.** The funds invest primarily in equity securities of Greater China Companies. This focus may constrain the liquidity and the number of securities available for investment by the funds. In addition, the funds' assets are disproportionately exposed to risks associated with these securities. The funds may, at certain times, hold relatively few investments. The funds could be subject to significant losses if it has a large position in a particular asset that declines in value or is otherwise adversely affected, including default of the issuer.

**Long-Term Investments.** The funds are likely to pursue investment opportunities for the funds that seek to maximize asset value or create market opportunities on a long-term basis. In pursuing such long-term strategies, the funds may forego value in the short term or temporary investments to be able to avail the funds of additional and/or longer-term opportunities in the future. Consequently, the funds may not capture maximum available value in the short term, which may be disadvantageous, for example, for Limited Partners who withdraw all or a portion of their Interest before such long-term value may be realized by the funds.

**Equity Price Risk.** The Fund's investment portfolios may include long and short positions in equity securities of public and private, listed and unlisted companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates, and general economic environments. In addition, events such as the domestic and international political environments, terrorism, and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the funds.

**Emerging Market Investments.** The funds may invest in securities of companies located or operating in emerging countries or issued by the governments of such countries. Investing in such securities involves considerations not usually associated with investing in securities of companies located in developed countries or issued by the government of such countries, including security and economic considerations, such as more significant risks of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of funds, nationalization and general social, political, and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion;

certain government policies that may restrict the funds' investment opportunities; and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain countries generally are not equivalent to standards in more developed countries. Consequently, less information is available to investors in companies located in these countries than is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in emerging countries than there is in more developed countries. Placing securities with a custodian in an emerging country may also present considerable risks.

**Exchange Rate Fluctuations; Currency Risks.** The funds may invest in financial instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. Dollar. The Fund, however, values its financial instruments in U.S. Dollars. The Fund may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available when the funds wish to use them or that hedging techniques employed by the funds will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the funds' positions denominated in currencies other than U.S. Dollars will fluctuate with U.S. Dollar exchange rates and the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. Dollar compared to the other currencies in which the funds make investments will reduce the effect of any increases and magnify the impact of any decreases in the prices of the funds' investments in their local markets and may result in a loss to the funds. Conversely, a reduction in the value of the U.S. Dollar will have the opposite effect on the Fund's non-U.S. Dollar investments.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the funds. Prospective Shareholders and Limited Partners should read the entire fund documents and consult with their own advisers before deciding whether to invest in the funds. In addition, as the funds' investment program develops and changes over time, an investment in the funds may be subject to additional and different risk factors.**

## **Item 9: Disciplinary Information**

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



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

The Firm is authorised and regulated by the FCA in the UK as a CPMI firm. Its Firm Reference Number is FRN 775092. The authorisation that it holds means that the Firm is permitted to provide discretionary management and investment advice to professional clients. The Firm is not permitted to deal with retail clients.

Additionally, the Firm has a number of financial industry affiliations. The Firm is wholly owned by Cederberg Capital Cayman, which also wholly owns and controls Cederberg Capital (Cayman) GP, which serves as the General Partner to the Cederberg Greater China Equity Fund LP fund, one of our feeder funds as discussed above. Our other feeder fund, the Cederberg Greater China Equity Fund, is managed by Cederberg and is an exempted private fund organised under the laws of the Cayman Islands. Lastly, the Firm owns Cederberg China, a Shanghai-based entity responsible solely for providing research.

The Firm maintains a record of potential conflicts of interest, including external appointments held by all staff, including the management persons listed above. This list is updated when necessary, and completeness is confirmed annually. None of the relationships notified to the Firm by the individuals concerned creates a material conflict of interest between the Firm and its clients or between clients.

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

The Firm believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Our personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

The Firm's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Our personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable securities laws. Additionally, all Cederberg staff members are subject to personal trading policies governed by the Code of Ethics (see below).

### **Personal Trading Practices**

- All personal brokerage accounts used by staff must be notified to the Firm. However, personal trading where a staff member has discretion about investment decisions is not permitted. Staff members are, however, permitted to invest in the Cederberg funds, including the Cederberg Silk Road Fund. The Cederberg Silk Road Fund is only open to internal capital and the capital of related parties. While the Cederberg Silk Road Fund can invest in the same securities as other managed accounts, they are not managed in parallel from overarching strategy perspective. In cases where the Cederberg Silk Road Fund is transacting in the same security as other managed accounts, we believe clients are not disadvantaged due to the fact that all accounts would execute transactions concurrently and be allocated shares on a pro rata basis at the same price. See Item 12 (Brokerage Practices) for further information on how such transactions are executed.
- Prior approval may be required before a trade can be executed.
- Copies of contract notes and/or broker statements are received by the Firm for staff holdings in existence prior to joining the Firm.

Cederberg will provide a complete copy of the Code of Ethics to any client or prospective client upon request directed to Cederberg's Compliance Team – [compliance@cederbergcap.com](mailto:compliance@cederbergcap.com).

## Item 12: Brokerage Practices

### General Arrangements

Cederberg maintains a list of brokers with whom it may deal for the Firm's managed Funds and Accounts. The Firm uses brokers at its discretion; considerations include cost, price, speed, the likelihood of execution and settlement, reputation, financial strength and stability, creditworthiness, the size and type of the transaction, the difficulty of execution, and the ability to handle complicated trades. Performance is subject to regular, periodic review.

### Funds and Accounts

The Firm pays all Broker and Sell-Side research-related costs. There are no soft-dollar arrangements in place.

The Funds/Accounts pay all execution-related costs - trading commission and fees. Brokers are selected based on the following factors (with a particular emphasis on price sensitivity);

- Price
- Commission & Trading Costs
- Speed
- Liquidity
- Likelihood of execution and settlement
- Size
- Nature
- Other considerations relevant to the performance of an order

Subject to underlying investment strategies, a block order may be placed when dealing for multiple Funds or Accounts. Total shares are allocated pro-rata based on overall net assets and the relative weighting of each stock in the relevant Fund(s)/Account(s). This process ensures that shares are equitably acquired.

## **Item 13: Review of Accounts**

Each Fund and Account that the Firm advises is subject to regular review to ensure that it remains within the investment guidelines agreed with the client. All investment guidelines are proactively reviewed in advance of trading.

All Funds and Account portfolios are reviewed and reconciled daily, and the process forms the basis of internal reporting.

The Firm reports to the boards of the Funds every quarter and the governing bodies of Accounts according to their governance requirements. These reports comprise analysis of risk and return drivers during the period in question, significant asset allocation changes, benchmark or peer analysis, and a review of any trading or operational factors, as the Firm deems relevant. The Firm reports the performance of the Accounts monthly.

The Administrator sends statements to clients monthly. In addition, the manager sends a monthly newsletter that analyses the portfolio's risk and return characteristics along with commentary on the market and the portfolio.

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

The Firm is not remunerated by any party other than its clients. The Firm receives no other economic benefit for providing investment advice or other advisory services to its clients whether directly or indirectly.

The Firm does not employ third-party marketers.

## **Item 15: Custody**

While the Firm is not authorised to hold client assets directly, it is deemed to have custody of the Cederberg Greater China Equity Fund LP assets through its affiliation with the Fund's General Partner, Cederberg Capital (Cayman) GP. As such, the Firm has instituted a set of controls to safeguard those client assets which includes an annual financial statement audit by an independent public accountant that is registered with, and subject to regular inspection by, the PCAOB. Annual financial statements are prepared in accordance with generally accepted accounting principles and are distributed to investors within 120 days of the end of the fiscal year. Each investor should carefully review these statements upon receipt.

## **Item 16: Investment Discretion**

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

The Firm exercises its discretionary authority by abiding by the risk parameters and investment guidelines set out in the prospectus for the fund and any agreement with a managed account.

For the Firm's mandate to make recommendations only to an FCA regulated UK investment adviser in relation to Greater China companies, the Firm does not maintain discretionary or non-discretionary authority.

## **Item 17: Voting Client Securities**

The Firm has authority to vote proxies on behalf of its clients and does not consult with its clients before exercising any vote. We maintain separate proxy voting policies and procedures which are designed to ensure that all proxies are voted in the best interests of our clients and in accordance with all applicable regulation including Rule 206(4)-6 of the Investment Advisers Act of 1940. When voting, we strive to support sound corporate governance within the companies we are invested in to promote accountability, alignment of management and shareholders' interests, and effective disclosure as well as maximize shareholder value. In cases where dialogue is ineffective, we will vote against or abstain from voting if we believe it is in our clients' best interest.

Information on how the Firm has voted, together with a copy of its proxy voting policies and procedures, are available on request directed to [info@cederbergcap.com](mailto:info@cederbergcap.com)



## **Item 18: Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition to the extent this information is publicly available.

The Firm does not require or solicit pre-payment of any type of client fees in advance. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.