

**PART 2A OF FORM ADV**

**FIRM BROCHURE**

**KAIZEN CAPITAL PARTNERS LIMITED**

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**Hong Kong**

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**March 28, 2023**

**This Brochure provides information about the qualifications and business practices of Kaizen Capital Partners Limited. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at +852 3840 8800. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority, and references in this Brochure to Kaizen Capital Partners Limited, as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

**Additional information about Kaizen Capital Partners Limited is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

Kaizen Capital Partners Limited (“Kaizen” or the “Adviser”) is required to identify and discuss any material changes made to this Brochure since the last annual update (which was filed on March 31, 2022). There have been no material changes made in this filing.

Kaizen recommends that you read this Brochure in its entirety. If Kaizen makes any material changes to this Brochure, this Item will be revised to include a summary of such changes.

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#### **Item 4 – Advisory Business**

<b>Item 4.A</b>	<p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p><b>Notes: (1) For purposes of this item, your principal owners include the <i>persons</i> you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% investor, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.</b></p> <p>Kaizen, is a private company limited by shares incorporated in Hong Kong and licensed by the Securities and Futures Commission to conduct Type 9 (asset management) regulated activities in Hong Kong since March 9, 2020. Kaizen is principally owned by Kaizen Capital Holdings Limited. Ramesh Karthigesu is the principal owner of Kaizen Capital Holdings Limited as well as the Chief Investment Officer and the co-founder of the Adviser.</p> <p>Kaizen provides discretionary investment advisory services to Kaizen Asia Pacific Offshore Fund (the “Offshore Feeder”), Kaizen Asia Pacific Onshore Fund (the “Onshore Feeder”) and Kaizen Asia Pacific Master Fund (the “Master Fund”), a Cayman Island incorporated master-feeder structure organized as exempted companies with limited liability on October 31, 2019 (Master Fund and Offshore Feeder) and November 4, 2019 (Onshore Feeder). The Adviser also provides discretionary investment advisory services to two sub-advised funds (the “Sub-advised Funds” collectively with the Master Fund, Offshore Feeder and Onshore Feeder the “Funds” or the “Advisory Clients”).</p>
<b>Item 4.B</b>	<p><b>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</b></p> <p>Pursuant to the Advisory Clients’ offering memoranda, subscription documents, investment management agreements and/or sub-advisory agreements, as applicable (collectively the “Governing Documents”), the Advisory Clients engage in long/short equity strategies focused primarily on investing in the Asia Pacific region. The Adviser employs a variable net strategy driven by the bottom-up investment opportunity set, and taking into consideration liquidity, volatility and the overall macro-economic environment when constructing and managing the portfolio. The Funds mainly invests in companies listed in the Asia Pacific region including, but not limited to, companies listed in Hong Kong, Mainland China, Japan, India, Korea and Australia.</p> <p>Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Investment restrictions for the Funds, if any, are generally established in the Governing Documents or offering documents of the applicable Fund. All defined</p>

	terms used in this Brochure but not defined herein will have the same meaning ascribed to them in each Fund's Governing Documents.
<b>Item 4.C</b>	<p><b>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</b></p> <p>Kaizen does not tailor its advisory services to the individual needs of investors in the Fund.</p> <p>Advisory services may be tailored to achieve the Advisory Clients' investment objectives and may impose certain restriction on certain securities or types of securities. Generally, Kaizen has the authority to select which and how many securities and other instruments to buy or sell when the selected securities are in line with investment guidelines and restrictions in the investment advisory mandates/agreements.</p> <p>Kaizen may in the future enter into side letter agreements with certain investors. Side letters may establish rights that supplement, or alter the terms of, the applicable Governing Document. Pursuant to such side letters, certain investors may have rights which are not available to other investors. For example, such terms and conditions provide such investor(s) with additional and/or different rights (including, without limitation, with respect to the incentive allocation, management fee, redemption rights, minimum and additional subscription amounts, informational rights, capacity rights and other rights) than the other investors.</p>
<b>Item 4.D</b>	<p><b>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</b></p> <p>Kaizen does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p><b>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date "as of" which you calculated the amounts.</b></p> <p><b>Note: Your method for computing the amount of "<i>client</i> assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a different method to compute "<i>client</i> assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your <i>brochure</i> in response to this Item 4.E</b></p> <p>As of 31<sup>st</sup> December 2022, Kaizen manages approximately \$ 744,555,751 of Fund assets on a discretionary basis.</p>

## **Item 5 – Fees and Compensation**

Item 5.A

Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

**Note: If you are an SEC-registered adviser, you do not need to include this information in a *brochure* that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.**

**Fund Fees**

Please see below a summary of the Management Fee, Incentive Allocation and Redemption Fee of the Fund:

Share Series	Management Fee	Incentive Allocation	Redemption Fee
Employee	1.0%	Nil	Nil
Founder	1.5%   1.25%*	15%	3% (0-12 months) and 5% for redemption of Shares without being subject to any Redemption Gate
Series A	1.75%	20.0%	5% (0-12 months) and 5% for redemption of Shares without being subject to any Redemption Gate

\*Adjustment based on AUM of US \$500 million.

With respect to Founder Shares, Series A Shares and Employee Shares, a management fee (the "Management Fee") is payable by the Master Fund to the Adviser monthly in arrears determined on the basis of the Net Asset Value of the Founder Shares, Series A Shares and Employee Shares (as the case may be) as of the valuation date of the relevant month. The relevant Net Asset Value for the purpose of calculating the Management Fee is (i) net of all the Funds costs and expenses accrued during the month but (ii) gross of the Management Fee of the relevant month and the Incentive Allocation (in the case of Founder Shares and Series A Shares) (if any) accrued since the date of the prior high watermark.

The Management Fee in relation to Founder Shares is equal to (i) 1/12th of 1.5% per month (i.e. 1.5% per annum) if the sum of the assets under management of the Fund together with the assets under management of any vehicle(s) established by the Adviser to co-invest with the Fund is below US\$500 million as of the valuation date of the relevant month and (ii) 1/12th of 1.25% per month (i.e. 1.25% per annum) if the sum of the assets under management of the Fund together with the assets under management of any vehicle(s) established by the Adviser to co-invest with the Fund is equal to or exceeds US\$500 million as of the valuation date of the relevant month.

	<p>The Management Fee in relation to Series A Shares is equal to 1/12th of 1.75% per month (i.e. 1.75% per annum).</p> <p>The Management Fee in relation to Employee Shares is equal to 1/12th of 1.0% per month (i.e. 1.0% per annum). Kaizen offers a similar fee structure and performance fee to each Sub-advised Fund depending on size and commitment period. (i.e. Management Fee between 1 to 1.75% and Incentive Allocation between 15 and 20%.)</p> <p><b><u>Incentive Allocation</u></b></p> <p>The Adviser is entitled to an incentive allocation (the "<b>Incentive Allocation</b>") from each sub-series of Founder Shares and Series A Shares on the last valuation day of each Financial Year (the "<b>Calculation Date</b>"). The Master Fund will distribute the Incentive Allocation to the Adviser by way of a cash dividend. No Incentive Allocation is made with respect to Employee Shares.</p> <p>The Incentive Allocation equals (a) with respect to each sub-series of Founder Shares, 15% per annum; and (b) with respect to each sub-series of Series A Shares, 20% per annum, in each case over the prior high watermark, multiplied by the number of relevant shares of such sub-series of shares as of such Calculation Date. The relevant Net Asset Value for the purpose of calculating the Incentive Allocation for a financial year (or up to the relevant redemption day in case of a redemption during the financial year) is net of all the Funds costs and expenses accrued during the relevant period (including the Management Fee) but before calculating the Incentive Allocation for the relevant period.</p> <p><b>IT IS CRITICAL THAT INVESTORS REFER TO THE RELEVANT OFFERING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF HOW KAIZEN IS COMPENSATED FOR ITS ADVISORY SERVICES. THE INFORMATION CONTAINED HEREIN IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY SUCH DOCUMENTS.</b></p>
<b>Item 5.B</b>	<p><b>Describe whether you deduct fees from <i>clients</i>' assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</b></p> <p>Kaizen is compensated by Advisory Clients in the form of fees that are payable monthly/quarterly/annually in arrears depending on the applicable agreed payment schedules. Kaizen will bill all Advisory Clients for the fee incurred on the basis agreed upon in the applicable investment management agreement or sub-advisory agreement. Fees for each Sub-advised Fund require approval by the respective Sub-advised Fund's boards before being authorized for payment.</p>
<b>Item 5.C</b>	<p><b>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</b></p> <p>In addition to the fees payable to Kaizen, the Feeder Funds bears all of its own and a pro rata share of the Master Fund's organizational expenses and investment, trading and operating expenses relating to the Feeder Funds and the Master Fund (which are generally paid at the Master Fund level), including but not limited to, the following: (a)</p>

	<p>costs and expenses of all transactions carried out by the Fund or on its behalf; (b) charges and expenses of the Administrator, Prime Brokers, Custodians, legal advisers, accountants and auditors; (c) 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; (d) all taxes and corporate fees payable to governments or agencies, tax preparation related expenses, regulatory expenses and other expenses due to supervisory authorities; (e) Directors' fees and expenses; (f) interest on borrowings, including borrowings from the Prime Broker; (g) communication expenses with respect to investor services including periodic investor meetings and all expenses of meetings of Investors and of preparing, printing and distributing financial and other reports, proxy forms, offering documents and similar documents, the cost of aggregated risk reporting (should the Board of Directors determine to offer such reporting to the Investors); (h) costs of insurance (if any) for the benefit of the Directors; (i) travelling costs (in relation to holdings in the Fund but not covering travelling associated with researching on potential investments), (i) market data, specific research and investment consultancy expenses payable to third parties; (j) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business; (k) valuation expenses; and (l) all other organizational and operating expenses of the Feeder Funds and/or the Master Fund that the Adviser may agree with the board of directors from time to time.</p> <p>All expenses of the Feeder Funds will be borne by the Master Fund, to the extent that any expenses relate solely to a specific Feeder Fund, such expenses may at the discretion of the Directors be allocated to the applicable shares of the Master Fund held by that specific Feeder Fund.</p> <p>Each Sub-advised Fund bears its own organizational and operational expenses as well as its pro rata share of expenses related to investments.</p> <p>The expenses to be paid by the Advisory Clients (and therefore investors) are set forth in detail in the applicable offering documents, investment management agreements, investment advisory agreements or other equivalent documents. Thus, although the foregoing is a brief summary of the types of expenses the Advisory Clients (and therefore investors) will generally bear, it is not an exhaustive or complete list. Investors and prospective investors should therefore review the applicable offering documents carefully because such documents, and not this brochure summary, describe the exact expenses the Advisory Clients (and therefore Investors) will bear.</p> <p>In connection with the investment management services Kaizen provides, it will bear all of its own normal and recurring operating expenses and overhead costs, except that certain research and research-related expenses may be purchased through the permitted use of "soft dollars" (as described in Item 12 - Brokerage Practices).</p>
<p><b>Item 5.D</b></p>	<p><b>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</b></p> <p>Not applicable.</p>



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

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

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

As described in Item 5 above, Kaizen may receive performance-based compensation from the Advisory Clients.

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

To the extent Kaizen manages both accounts that are charged performance-based compensation and other accounts that pay a management fee, Kaizen may have an incentive to favor those accounts that pay performance-based compensation. Kaizen addresses this possible conflict through its trade allocation policy.

Kaizen is required to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Advisory Clients. Kaizen recognizes that it is a fiduciary and as such, it must act in the best interests of its Advisory Clients. In addition, during any period in which an Advisory Client holds such “plan assets” within the meaning of ERISA, Kaizen will constitute a “fiduciary” and an “Adviser” under ERISA with respect to such Advisory Fund.

Fee disclosures are provided to Advisory Clients and investors in the applicable fund documents, investment management agreements or sub-advisory agreements and prospective investors should review the relevant disclosures carefully prior to investing.

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

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

As previously described in Item 4, Kaizen provides investment advice and management to the Advisory Clients and may in the future provide the same or similar services to other privately placed investment funds or separately managed accounts. Form ADV Part 3 (Form CRS) has not been filed as Kaizen does not have any individual (natural person) clients, and does not intend to have such clients at any time in the foreseeable future. With respect to the Fund, Kaizen intends to offer Interests only through non-public transactions in order to maintain the Funds' exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act").

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

The minimum investment in the Master Fund, Onshore Fund and Offshore Fund is \$1,000,000.

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

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

<b>Item 8.A</b>	<p><b>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</b></p> <p><b><u>Investment Strategy</u></b></p> <p>The investment objective of the Adviser to seek to generate attractive risk-adjusted absolute returns. The Adviser employs a long/short equity strategy that focuses primarily on investing in the Asia Pacific region. The Adviser aims to produce strong risk-adjusted absolute returns with low market correlation. The Funds attempts to achieve its objective by generating returns mainly from fundamentally-researched individual stock idiosyncratic opportunities. The Adviser employs a variable net strategy driven by the bottom-up investment opportunity set, and taking into consideration liquidity, volatility and the overall macro-economic environment when constructing and managing the portfolio. The Funds mainly invests in companies listed in the Asia Pacific region including, but not limited to, companies listed in Hong Kong, Mainland China, Japan, India, Korea and Australia.</p> <p>The foundation of the investment process is Kaizen’s focus on a 2-3 year forward view of ROIC (Return on Investment Capital) revisions, with the goal of identifying unique idiosyncratic investment opportunities. This is accomplished with extensive independent research of income/growth, margin/pricing power and balance sheet/cash flow.</p> <p>Using one investment process Kaizen seeks to bring 3 distinct alpha sources into one portfolio.</p> <ol style="list-style-type: none"><li>1. Structural Growth (or lack thereof): The identification of businesses who’s income/growth and pricing/power margins have structural tailwinds or headwinds over the medium-long term.</li><li>2. Dispersion: The identification of businesses within an industry sector that will be winners and losers over the medium-long term.</li><li>3. Dislocation: The identification of businesses where a major dislocation in price has occurred. This is generally driven by idiosyncratic, sector, and /or macro events.</li></ol> <p>Sizing and timing of positions is crucial to performance and is subject to a one-year earnings revisions lens.</p> <p><b><u>Investment Process</u></b></p> <p><b>Idea Generation.</b> The foundation of idea generation originates from our team’s coverage across sectors and countries. We screen for management incentives, corporate governance and market signals.</p> <p><b>Idea Evaluation.</b> We derive and model key unit economic drivers in accordance with our ROIC framework through analysis of income/growth, margin/pricing power, balance sheet/cash flow. Post analysis of the key drivers, we evaluate bull, bear and base case scenarios on each company.</p>
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	<ul style="list-style-type: none"> <li>• The result of our evaluation produces 2 key outputs: <ul style="list-style-type: none"> <li>• Target price (bull/bear/base case probability-weighted)</li> <li>• Asymmetry / skew ratio (bull case: bear case)</li> </ul> </li> </ul> <p><b>Portfolio Construction.</b> Portfolio exposure is driven by the bottom-up opportunity set and focused on idiosyncratic risk. The portfolio construction process integrates a view on macro factors and an assessment of imbedded portfolio correlation and skews.</p> <p>Kaizen aims to maintain a deliberate and appropriate balance across all alpha sources (structural growth, dispersion and dislocation) to diversify the portfolio beyond traditional geographic and sector metrics and to attempt to optimize risk/reward profile across market conditions.</p> <p>Positions are actively managed and sized to reflect conviction level, risk/reward profile, volatility and liquidity, macro factors and portfolio correlation.</p> <p>Scenario modelling and portfolio stress-testing with detailed exposure, multi-factor and correlation analysis, is conducted on a regular basis.</p> <p><b><u>Risk Management</u></b></p> <p>Kaizen views risk in terms of the chance of capital loss. Therefore, Kaizen tries to manage risk on an ongoing basis. Managing investment risk is integral to the investment process and is addressed at several points in the research, analysis, and portfolio construction stages. Kaizen believes that thorough fundamental research throughout the investment process is critical to risk management. The extensive research network we established provides Kaizen with an edge in identifying investment pitfalls as early as possible and avoiding them. Once an investment is made, Kaizen conducts regular monitoring to re-confirm the conviction and thesis. Stocks are monitored on a regular basis. The objective of monitoring is to identify early warning signals of a change in the fundamentals of the investment thesis. Kaizen also expects to monitor the overall market volatility and liquidity situation regularly. Kaizen avoids overweight positions on certain sectors or stocks to which Advisory Clients might be exposed. Kaizen has a proactive approach in managing sell discipline and continually evaluates holdings and the dynamic factors that might lead to capital loss.</p> <p>Investing in securities involves a risk of loss that investors should be prepared to bear. Investors should consider the risk factors described in Item 8.B and Item 8.C before investing. The following list does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Advisory Clients. Prospective investors are urged to consult their professional advisers and to review the legal documents for each particular Advisory Client before deciding to make an investment in an Advisory Client.</p>
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<p><b>Item 8.B</b></p>	<p><b>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</b></p> <p>As a general matter, Kaizen utilizes the methods of analysis and investment strategies described in the Advisory Clients' offering and governing documents. The information contained herein is a summary only and Investors should refer to the Funds' offering and governing documents for a complete overview of Kaizen's methods of analysis and investment strategies and the material risks associated therewith. No guarantee is made that the investment objectives of the Advisory Clients will be realized. Below is a list of potential investment risk factors. There is no guarantee that this is a complete list of the risks, that Advisory Clients will be able to control investment risks or that the risks will not aggregate in a manner adverse to the Advisory Clients. The risks associated with particular investments by Advisory Clients include, but are not limited to, the following:</p> <p><b><u>General Risks</u></b></p> <p><b>Potential loss of investment.</b> An investment in the Fund is speculative and involves a high degree of risk, and there can be no assurance that the Fund will achieve its investment objective.</p> <p><b>ALTHOUGH AN INVESTOR WILL NOT LOSE MORE THAN THE AMOUNT INVESTED, AN INVESTOR COULD LOSE ALL OR A SUBSTANTIAL PORTION OF ITS INVESTMENT IN THE FUND.</b></p> <p><b>No cap or guarantee of return.</b> Investors' returns on their investments (by way of any redemption payments) will be determined by reference to cumulative net gains or losses (if any), arising from the investment activities of the Fund. There is no cap or limit on the potential gains. The return on the investments may vary significantly over their respective lives, and may decrease as well as increase, depending upon trading profits and investment gains. The Fund makes no representation as to any return that investors will earn on the investment and there can be no assurance that the information, as set out in the Funds Governing Documents will be in any respect indicative of how the investment will perform (either in terms of profitability or low correlation with other investments) in the future.</p> <p><b>THE PAST INVESTMENT PERFORMANCE OF THE MANAGEMENT TEAM OF THE ADVISER AND ANY ENTITIES WITH WHICH THEY HAVE BEEN ASSOCIATED MAY NOT BE INDICATIVE OF THE FUTURE RESULTS OF AN INVESTMENT IN THE FUND.</b></p> <p><b><u>Risks relating to the Adviser</u></b></p> <p><b>Limited operating history.</b> Although the principals of the Adviser include experienced investment professionals who have pursued similar investment strategies as the Fund's before, the Fund has limited operating history on which prospective investors may base on evaluation of future performance. There is therefore no certainty that the investment team or the strategies that will be applied will be successful. Accordingly, an investment in the Fund entails a high degree of risk. It cannot be assumed that the Fund will achieve</p>
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its investment objectives. In addition, the operational infrastructure and systems of the Adviser depend to a large degree on third party providers and outsourced solutions. The Adviser believes that its operational systems and infrastructure are appropriate for their business and based on solutions provided by reputable and experienced third party providers and governed by appropriate service level agreements. However, there can be no assurances that issues will not arise that are beyond the immediate control of the Adviser.

**All investment authority delegated to the Adviser.** The investors have no authority to make investment decisions or to participate in the management of, or the exercise of business discretion with respect to, the Fund. The authority to make all decisions with respect to the investment of the Fund's assets is delegated to the Adviser. Accordingly, no person should invest in the Fund unless it is willing to entrust all aspects of the management of the Fund's portfolio to the Adviser, subject to the supervision of the Board of Directors.

**Business dependent upon key individuals.** The success of the Fund is significantly dependent upon the expertise of the management team of the Adviser. Any future unavailability of their service to the Fund could have a material adverse impact on the Fund's performance.

**Investment selection.** The Adviser selects investments for the Fund on the basis of information and data which may be available to the Adviser through the issuers of the securities and other instruments or through sources other than the issuers. Although the Adviser evaluates all such information and data and seek independent corroboration when it considers appropriate and when it is reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data. As the Fund's investment strategies are heavily research and analysis-driven, any reliance on information that is incomplete, not genuine or otherwise inaccurate can adversely impact the success of the investment strategy and lead to substantial losses.

**Investment strategies.** The Adviser recognizes that any particular strategy may be incapable of remaining profitable indefinitely. Accordingly, the Adviser believes that its ability to achieve the Fund's investment objective will continue to depend, in part, on the Adviser's ability to generate and implement new investment strategies. Accordingly, there is no limitation on the investments that the Fund may acquire, the instruments it may trade, the markets and countries in which it may trade, or strategies that it may employ.

**Hong Kong's National Security Law.** The law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region was gazetted for promulgation on 30 June 2020 and took effect on the same day. The introduction of the law has triggered and may in the future trigger sanctions and other measures by certain countries, and the implementation of the law and the adoption of such sanctions or measures may disrupt or limit the operations of the Investment Manager and other persons or businesses in Hong Kong which are counterparties of the Fund or the Investment Manager, to the detriment of the Fund.

#### **General market and regulatory risks**

**General trading risks.** All investments present a risk of loss of capital. The Fund's

	<p>investment program may utilize such sophisticated investment techniques as option transactions, swap transactions, limited diversification, margin transactions, short sales, contracts for differences and futures and forward contracts, which practices can, in certain circumstances, multiply the adverse impact to which the Fund may otherwise be subject. No guarantee or representation is made that the Fund's investment program will be successful.</p> <p><b>Stock market and issuer volatility.</b> Stock markets are volatile and can decline significantly in response to adverse issuer-specific, political, regulatory, market or economic developments. While the Adviser may seek to take advantage of such volatility, such volatility may also adversely affect the Fund's performance. The Fund purchases securities of specific issuers. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.</p> <p><b>Business and regulatory risks of hedge funds.</b> Legal, tax and regulatory developments that may adversely affect the Fund could occur during the term of the Fund. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their trading activities may adversely affect the ability of the Fund to pursue its investment strategy, its ability to obtain leverage and financing and the value of investments held by the Fund. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict with certainty what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Fund to trade in securities or the ability of the Fund to employ, or brokers and other counterparties to extend, credit in its trading (as well as other regulatory changes that result) could have a material adverse impact on the Fund's portfolio. The Funds and the Adviser may also be subject to regulation in jurisdictions in which the Fund and the Adviser engage in business, as well as other jurisdictions. Investors should understand that the Fund's business is dynamic and is expected to change over time. Therefore, the Fund may be subject to new or additional regulatory constraints in the future. This Private Placement Memorandum cannot address or anticipate every possible current or future regulation that may affect the Adviser, the Fund or their businesses. Such regulations may have a significant impact on the investors or the operations of the Fund, including, without limitation, restricting the types of investments the Fund may make, preventing the Fund from exercising its voting rights with regard to certain financial instruments, requiring the Fund to disclose the identity of its investors or otherwise. The Adviser may, in its sole discretion, cause the Fund to be subject to such regulations if it believes that an investment or business activity is in the Fund's interest, even if such regulations may have a detrimental effect on one or more investors. Prospective investor are encouraged to consult their own advisors regarding an investment in the Fund.</p> <p><b>General economic conditions.</b> General economic and market conditions, which is the risk that Kaizen's activities will be affected by general economic and market conditions, such as global and local economic growth, interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of clients' investments), trade barriers, currency exchange controls, and</p>
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	<p>national and international political circumstances (including wars, terrorist acts or security operations), and more recently in 2020, a pandemic (i.e. coronavirus). These factors may affect the level and volatility of the prices and the liquidity of clients' investments. Volatility or illiquidity could impair clients' profitability or result in losses.</p> <p><b>Trading sanctions.</b> In late 2020, the President of the United States signed an Executive Order, Executive Order 13959, prohibiting United States persons from transacting in certain publicly traded securities, certain securities that are derivatives thereof, and securities that are designed to provide investment exposure to such securities. The list of sanctioned securities is subject to change, and it is possible that the United States and/or other countries may introduce additional measures or regulations which target the purchase, sale and/or holding of securities or other investment products beyond those set out in Executive Order 13959. Such prohibitions may cause the Fund to be required to liquidate its positions in the sanctioned investments upon disadvantageous terms or otherwise restructure the holding of such investments or the participation of certain Fund investors therein, which could result in losses to the Fund and its investors. The Fund may also be required to compulsorily redeem certain investors as a result of Executive Order 13959 and/or any additional measures or regulations implemented by the United States and/or other countries.</p> <p><b>Investments in Asia.</b> Whilst the Fund may make investments globally, the Fund retains a bias towards the Asian market. Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain Asian countries in which the Fund invests are new and largely untested. As a result, the Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of the Fund may be subject to withholding taxes imposed by foreign governments for which Investors may not receive a full foreign tax credit. Regulatory controls and corporate governance of companies in developing countries confer little protection on minority investors. Anti-fraud and anti-insider trading legislation is often rudimentary or is largely unenforced. The concept of fiduciary duty to investors by officers and directors is also limited when compared to such concepts in more developed markets and there is generally a greater risk of fraud by officers or controlling investors of companies. In certain instances, management may take significant actions without the consent of investors and anti-dilution protection also may be limited. There are differences between the accounting and auditing standards, reporting practices and disclosure requirements applicable in certain Asian countries and those generally accepted internationally. In many countries in which the Fund is likely to invest, less audited information is available for local companies than would be customary or required for companies in more developed countries. Tax rules may change unpredictably or be subject to unforeseeable interpretation or application without prior notice, which could have an adverse effect on the Fund and its Investors. There is also the possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability, or diplomatic developments, including war or terrorist attacks. All of these factors could adversely affect the economy of countries in which the</p>
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Fund invests, make the prices of such countries' assets or securities generally more volatile than the prices of assets or securities in more developed countries and increase the risk of loss to the Fund.

**Cyber Security Breaches and Identity Theft.** The Fund's and its investee companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, floods, hurricanes, and earthquakes. The Fund and/or its investee companies may implement, various measures to manage risks relating to these risks of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Fund and/or any of its investee companies may have to make a significant investment to fix or replace them. Middle market investee companies in particular may be more vulnerable to such risks, as they are generally more limited with respect to their ability to expend funds on sophisticated prevention and detection systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruption in the Master Fund's and its investee companies' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of the Investor). Such a failure could harm the Fund's and its investee companies' reputation, subject any such entity and their affiliates to legal claims and otherwise affect their business and financial performance.

#### **Legal and regulatory risks**

**General.** The regulation of the international currencies, securities and derivatives markets has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future. The effect of regulatory change on the Fund, while impossible to predict, could be substantial and adverse. The financial services industry generally, and the activities of hedge funds and their managers, in particular, has been subject to increasing legislation, regulation and oversight. As one of the consequences of the international financial crisis, a number of initiatives, both on a national and supranational level, have been announced and/or implemented, among them by the United States, several European governments as well as the European Union, the International Organization of Securities Commissions (IOSCO), and the Group of Twenty (G-20). It is not currently possible to predict the extent of such increasing legislation, regulation and oversight, which would potentially limit the Fund's investment opportunities and returns or fund raising ability and increase the Fund's and the Adviser's exposure to potential liabilities and to legal, compliance and other costs. Increased regulatory oversight can also impose administrative burdens on the Adviser, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Adviser's time, attention and resources from its asset management activities. Investors in the Fund should be aware that increased legislation of the Fund could have substantial and adverse consequences for the Fund and its investors. Regulatory action or changes in the legislative environment could cause the Adviser to re-domicile the Fund to another jurisdiction which may cause disruption and costs to the Fund and which may result in the Fund having to be domiciled in a legal and regulatory environment which is less favorable to it or to its investors than is currently the case.

**Over-the-counter (OTC) derivatives and structured products.** The international regulatory landscape for OTC derivatives and structured products has undergone significant changes since the global financial crisis, in particular in relation to the

requirements for clearing OTC transactions with central counterparties, trade reporting, the use of collateral and enhanced capital prudential and market conduct rules. Legislation relating to OTC derivatives was adopted in the U.S. in 2010 in the form of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and similar legislation has been passed or is expected to be passed in the European Union, Singapore, Japan, Hong Kong, and other countries. Over the next few years, it is expected that the trend for further regulation of the OTC derivatives market will continue in the US, the European Union and many other jurisdictions in Asia and around the world, particularly in jurisdictions of those members of the G20 (including China, India, Indonesia, Japan and South Korea). Investors in the Fund should be aware that increased regulation of the OTC derivatives and structured products market could substantially affect the way the Fund trades, including the counterparties it trades with, and could lead to additional costs and exposure for the Fund.

**OTC derivatives regulatory reforms.** If the Fund enters into OTC derivatives with, among others, EU banks or financial institutions then the requirements of Regulation (EU) No. 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("EMIR") will become relevant. This is because in order for the Fund's EU counterparty to comply with its regulatory obligations under EMIR, the Fund will need to co-operate with certain processes and requirements laid down by EMIR. For example, in respect of OTC derivatives with such EU entities, the Fund may be required by its EU counterparty to clear all "eligible" OTC derivatives through a duly authorized or recognized central counterparty (the "clearing obligation"). Whilst certain classes of interest rate and credit default swap OTC derivatives are due to become "eligible" classes of OTC derivatives in the foreseeable future (and therefore subject to the clearing obligation), foreign exchange OTC derivatives are not currently anticipated to be an "eligible" class of OTC derivatives in the near future. For OTC derivatives between the Fund and an in-scope European counterparty that are not cleared in accordance with the clearing obligation, the European counterparty's regulatory obligations may require the Fund to comply with the margin posting requirement (the "margin posting requirement"). This requirement is subject to a phase-in period. The Fund's European counterparties will require the Fund to undertake certain risk-mitigation techniques in respect of OTC derivatives which are not cleared by a central counterparty, including complying with requirements related to portfolio reconciliation and dispute resolution (together, the "risk mitigation obligations"). Many other jurisdictions have also introduced (or are introducing) a clearing obligation, margin posting requirement and risk mitigation obligations on regulated financial institutions. These jurisdictions include but are not limited to the United States, Japan, Hong Kong, Singapore and Australia. The application of these obligations and requirements to derivatives transactions entered into by the Fund will depend on the fact pattern and the relevant laws and regulations, which differ from jurisdiction to jurisdiction. To the extent that they are applicable to the Fund, compliance with the clearing obligation, margin posting requirement and risk mitigation obligations is likely to increase the costs and expenses associated with operating the Fund. Furthermore, to the extent that OTC derivatives entered into by the Fund are subject to the margin posting requirement or the clearing obligation, the Fund will be required to post assets belonging to the Fund to its trading counterparty or, via a clearing member, to a central counterparty. Any such requirement will reduce the assets available to the Fund for investment and could have an adverse effect on the returns for investors.

**Stock Connect.** The Fund may also invest in the China A shares market through the Shanghai-Hong Kong Stock Connect ("Shanghai Connect") and/or the Shenzhen-Hong

Kong Stock Connect ("Shenzhen Connect", collectively with the Shanghai Connect, "Stock Connect"). Stock Connect is a mutual market access program through which Hong Kong and overseas investors ("Stock Connect Investors") can deal in selected securities listed on the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE"), and qualified PRC domestic investors can deal in selected securities listed on The Stock Exchange of Hong Kong Limited ("SEHK") (such securities, "Stock Connect Securities") through a connect arrangement put in place between SSE/SZSE and SEHK. As at the date of the prospectus, the Stock Connect program has been developed between Hong Kong and mainland China by, among others, SSE/SZSE, SEHK, the Hong Kong Securities Clearing Company Limited ("HKSCC") and CSDCC. Under Stock Connect, the Shanghai Connect and the Shenzhen Connect operate independently from each other with substantially similar regulatory framework and operating mechanism. Both the Shanghai Connect and the Shenzhen Connect provide a "northbound link", through which Stock Connect Investors may purchase and indirectly hold eligible China A shares listed on SSE and/or SZSE ("Northbound Trading").

Investors should note that Stock Connect is a relatively new trading program. The relevant regulations are untested and subject to change and there is no assurance that Stock Connect will be permitted to continue in existence. Northbound Trading under Stock Connect is subject to daily quota limitations which may restrict the Fund's ability to deal via Stock Connect on a timely basis. This may impact that Fund's ability to implement its investment strategy effectively. The scope of securities in Stock Connect is subject to adjustment by relevant Stock Connect Authorities (as defined below) from time to time (see the paragraph headed "The recalling of eligible stocks and trading restrictions" below). This may adversely affect the Fund's ability to achieve its investment objective. In addition, Stock Connect and its technology and risk management capability has only a short operating history. There is no assurance that the systems and controls of the Stock Connect program will function as intended or whether they will be adequate. In addition, Stock Connect may be subject to further regulatory or other changes and developments in both the Hong Kong and China markets that could adversely affect the Fund's ability to invest via Stock Connect or its investment strategy.

### **Strategy risks**

**Investment methodology.** The Fund may employ certain strategies that depend upon the reliability and accuracy of the Adviser's analytical investment processes. To the extent such investment processes (or the assumptions underlying them) do not prove to be correct, the Fund may not perform as anticipated, which could result in substantial losses.

**Relative value strategies.** In the event that the Adviser employs a relative value investment strategy, this will depend on its ability to identify and exploit perceived inefficiencies in the pricing of securities, financial products, or markets. Identification and exploitation of such discrepancies involve uncertainty. There can be no assurance that the Adviser will be able to locate investment opportunities or to exploit pricing inefficiencies in the securities markets. A reduction in the pricing inefficiency of the markets in which the Adviser seeks to invest will reduce the scope for the Fund's investment strategies. Any relative value investment strategy may be implemented through various kinds of instruments that the Adviser expects provide opportunity to exploit such pricing inefficiency. No matter how a particular relative value strategy is constructed, its success largely depends on the convergence or the divergence of such perceived price difference in line with the Adviser's expectation. Such price relationship between different investments is highly sensitive to changes in, among others, demand

and supply dynamics which may affect such investments in different ways. In the event that the perceived mispricings underlying the Fund's positions were to fail to converge toward, or were to diverge further from, price levels expected by the Adviser, the Fund may incur losses which could be significant especially when the market experiences large and/or rapid changes in the investment community's risk attitude among other factors. Any relative value investment strategy may result in high portfolio turnover and, consequently, high transaction costs for the Fund. In addition, any relative value strategy will be designed to be uncorrelated with respect to movements in equity markets and interest rates. Depending upon the investment strategies employed and market conditions, unforeseen events such as political crises, or changes in currency exchange rates or interest rates, forced redemptions of securities, or general lack of market liquidity may have a material adverse effect on the Fund.

**Short sales.** The Fund may engage in short selling of securities as part of its trading strategy. A short sale involves the sale of a security that the Fund has borrowed in the expectation of purchasing the same security (or a security exchangeable for it) at a later date at a lower price to return it to the lender. Since the borrowed securities must later be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Theoretically, the potential loss on the securities sold short is unlimited as there is no ceiling on how far the price of the security may rise. Also, a short seller may be prematurely forced out of a position due to an inability to maintain a loan of the stock which was borrowed to make the short sale. Furthermore, if the Fund has sold short the securities offered in an exchange offer or merger and has purchased the securities of the target company, the Fund is exposed to the risk that, if the transaction is not consummated, it may suffer losses with respect to its long and its short positions. The Fund has no policy limiting the amount of its capital it may deposit to collateralize its obligations to replace borrowed securities sold short. In times of financial stress, regulators have in the past introduced short selling restrictions on certain types of instruments or issuers, or generally, and may introduce new or additional restrictions in the future. Such short selling bans may be introduced with no or minimal advance notice, so that market participants, including the Fund, may not be prepared for their consequences. Any such limitation on short selling can have a material adverse impact on the Fund's investment program, including without limitation the Fund's ability to effectively hedge certain risks with respect to particular investment strategies or its ability to generate returns in otherwise core investment areas.

**Leverage.** In order to implement its investment objective, the Fund may use certain forms of leverage. The Fund has the power to borrow and may do so when deemed appropriate by the Adviser for any purpose, including without limitation to enhance the Fund's returns. No limit has been imposed on the amount of leverage which the Fund may employ. While leverage presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well, as well as causing transactional costs. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss, which would be greater than if leverage were not used, and reduced return for the Fund. Generally, most leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices which could be disadvantageous to the Fund and could result in substantial losses. The investment objective may require the use of considerable

leverage. There can be no assurance that leverage facilities will always be available and a loss of, or reduction in, the leverage facilities is likely to have the effect of causing the Fund to reduce its overall investment exposure. Terms upon which leverage facilities are available may be subject to change.

**Emerging markets.** The Fund may invest in securities relating to issuers in emerging markets. Such investments involve risk factors and special considerations which may not be typically associated with issuers in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on such issuers. Adverse government policies or actions, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries, including expropriation, nationalization, temporary or continuing freeze of assets or confiscation could result in loss to the Fund. 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 creditors in more major markets.

**Liquidity of investments.** The Fund may make investments in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive for the Fund to liquidate positions against which the market is moving. Alternatively it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise). These risks may be accentuated where the Fund is required to liquidate positions to meet margin requests, margin calls or other funding requirements.

**Counterparty trading relationships and market participant risk.** The Fund has established relationships to obtain financing, derivative intermediation and prime brokerage services that permit the Fund to trade in any variety of markets or asset classes over time; however, there can be no assurance that the Fund will be able to maintain such relationships. An inability to maintain such relationships would limit the Fund's trading activities and could create losses, preclude the Fund from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before the Fund establishes additional relationships could have a significant adverse impact on the Fund's business due to the Fund's reliance on such counterparties. There is the possibility that the institutions, including brokerage firms and banks, with which the Fund does business, trades or invests, or with whom securities may be entrusted for custody, will encounter financial difficulties or fraud that may impair the operational capabilities or the capital position of the Fund. Although the Adviser utilizes multiple brokers and regularly monitors the financial condition of such brokers, if one or more of the Fund's brokers were to become insolvent or the subject of liquidation proceedings (both in and out of bankruptcy), there exists the risk that the recovery of the Fund's securities and other assets from such a broker will be delayed or result in a recovery that is less than the value of the securities or assets originally entrusted to such broker. In addition to the risk of a counterparty or broker defaulting, there also is the risk that the Fund's counterparties or brokers will be required to restrict the amount of credit previously granted to the Fund due to their own financial difficulties, resulting in forced liquidation of substantial portions of the Fund's portfolio.

	<p><b>Nature of certain investments.</b> There are no limitation or minimum requirements in relation to the size or operating experience of the companies in which the Fund may invest. Some small companies in which the Fund may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.</p> <p><b>Type of acquired assets or instruments.</b> The types of assets that the Fund acquires vary widely and there is no limit on the type of assets or instruments that may be acquired. Certain of the Fund's assets are arbitrage positions in which a spread is identified between two necessarily correlated investments. These types of positions are expected to have comparatively limited intrinsic profit potential as their profitability reflects only changes in the pricing spreads between related instruments or price discrepancies between related instruments, rather than absolute price movements. Certain of these assets may involve significant risk, especially if historical price patterns are disrupted or securities lending or credit "squeezes" force the Fund to liquidate its leveraged assets at disadvantageous prices. Other assets of the Fund also have a strong directional bias.</p> <p><b>Concentration of holdings.</b> The Fund may make certain investments that will constitute a significant percentage of the Fund's assets. Any losses incurred in connection with these concentrated holdings will have a significant effect on the success of the Fund. In addition, the Fund may have to hold these investments for a long period and thus may be unable to participate in other trading opportunities. The Fund may take positions in a company that result in the Fund being the sole holder of a particular security (e.g., convertible bonds) or holding a large portion of the company's outstanding stock. Such positions involve liquidity and valuation risks that smaller positions do not present.</p> <p><b>Currency risk.</b> The Fund is valued in US\$. Assets and liabilities denominated in other currencies are translated at the rate of exchange in effect at the relevant valuation date and translation adjustments are reflected in the resulting valuation. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investment in different countries, actual or anticipated changes in interest rates and other complex factors as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. Likewise, Investors dealing in a different local currency than US Dollars should be aware that the currency exchange rate fluctuations could cause the value of their investment to diminish. Further, transaction costs may be incurred in connection with the conversions between such other currencies and US Dollars.</p> <p><b>System risks.</b> The Fund relies to a significant extent on computer systems and software used by the Adviser and other service providers to develop and execute investment strategies, analyze investment opportunities, price the Fund's assets, execute and settle trades, and conducting risk and operational controls. Such systems and software may be subject to errors, defects, interruptions or failure. In the event of such malfunction, the Fund may incur significant losses to the extent its or its service providers' ability to evaluate, make, hold, monitor, or dispose of investments, or to monitor risks and</p>
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	<p>operations is affected. The Adviser may not be in a position to verify the accuracy of the operation or results of the systems used by it or other service providers and may rely on erroneous computations or data, causing losses to the Fund. The Adviser is generally not liable to the Fund for such system malfunction unless caused by their own gross negligence, willful default or fraud. Third party service providers are generally not liable to the Fund for such system malfunction even where they are caused by their own gross negligence, willful default or fraud.</p> <p><b>Side Letters.</b> Subject to all applicable laws and the Articles, the Fund (with the approval of the Board of Directors) or the Adviser, acting on behalf of the Fund, may enter into side letters with investors without the consent of any other Investor. Side letters may provide such investor(s) with additional and/or different rights (including, without limitation, with respect to the Incentive Allocation, Management Fees, redemption rights, minimum and additional subscription amounts, informational rights, capacity rights and other rights) than the other investors. There is a risk that regulators may limit the use of side letters or require the Fund to disclose the terms of side letters to other investors. As a result, the Fund and/or the Adviser, if and when either decides to enter into side letters, may be subject to regulatory action in connection with entering into side letters, or may be forced to rescind or disclose the terms of some of the side letters, affecting the investors having entered into such side letters. The Fund or the Adviser (as the case may be) shall disclose the material terms in relation to redemption contained in any side letters to all relevant potential and existing investors.</p>
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<p><b>Item 8.C</b></p>	<p><b>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</b></p> <p><b><u>Investment risks</u></b></p> <p><b>Equities.</b> Equities invested in by the Fund may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions with regard to the size or operating experience of the companies in which the Fund may invest. In addition, companies in which the Fund may invest may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth, and companies with new products or services could sustain significant losses if projected markets do not materialize. Privately placed securities and other illiquid securities owned by the Fund may be difficult to sell, be saleable only at a substantial discount or upon registration with a regulator, and present valuation difficulties.</p> <p><b>Foreign exchange.</b> The Fund may take long or short positions in currencies through use of currency-related derivatives such as currency options and forward contracts. Such currency transactions involve a significant degree of risk and the markets in which currency exchange transactions are effected may be highly volatile. Moreover, the general absence of high margins on currency contracts and the low cost of carrying cash positions can result in a high degree of leverage. Therefore, a relatively small price movement in a currency contract could result in immediate and substantial losses to the Fund, which may exceed the amount invested in those contracts.</p> <p><b>Derivatives.</b> The Fund may use derivatives, such as options, futures, swaps and contracts for difference. Substantial risks are also involved in borrowing and lending against derivatives. Derivatives prices can be volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the derivatives positions held by the Fund, thereby causing substantial losses. Many of these instruments are not traded on exchanges but rather through an informal network of banks and dealers who have no obligation to make markets in them and can apply essentially discretionary margin and credit requirements (and thus in effect force the Adviser to close out positions). In addition, some derivatives carry the additional risk of failure to perform by the counterparty to the transaction. Many unforeseeable events, such as a change of government policies, can have profound effects on interest and exchange rates, which in turn can have large and sudden effects on prices of derivative instruments.</p> <p>Trading in derivative instruments can result in large amounts of operational leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the Fund and could cause the Fund's Net Asset Value to be subject to wider fluctuations than would be the case if the Fund did not use the leverage feature of derivative instruments.</p> <p><b>Options.</b> The Fund may buy and sell options, and there are various risks inherent in such trading. For example, the seller (writer) of a covered call option (e.g. the writer has a long position in the underlying security) assumes the risk of a decline in the market price of the underlying security to a level below the purchase price of the security, less the premium</p>
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received on the call option. The writer of a covered call option also gives up the opportunity for gain on the underlying security above the exercise price of the call. The writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing the premium invested in the option. The seller (writer) of a covered put option (e.g. the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option less the premium received on the put option. A successful use of equity options and options on stock indices will be subject to the Adviser's ability to correctly predict movements in the direction of the stock market generally or of a particular industry or market segment. This requires different skills and techniques than predicting changes in the price of individual stocks. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing the premium it paid to purchase the put option. The options markets have the authority to prohibit the exercise of particular options, which if imposed when trading in the option has also been halted, would lock holders and writers of that option into their positions until one of the two restrictions has been lifted. If trading is interrupted in an underlying security, the trading of options on that security is usually halted as well. Holders and writers of options will then be unable to close out their positions until options trading resumes, and they may be faced with considerable losses if the security reopens at a substantially different price. Even if options trading is halted, holders of options will generally be able to exercise them. However, if trading has also been halted in the underlying security, option holders face the risk of exercising options without knowing the security's current market value. If exercises do occur when trading of the underlying security is halted, the party required to deliver the underlying security may be unable to obtain it, which may necessitate a postponed settlement and/or the fixing of cash settlement prices.

**Futures.** The Fund may use futures in effecting its investment strategy. Futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Fund. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested. If the market moves against the Fund's position or margin levels are increased, the Fund may be called upon to pay substantial additional funds on short notice to maintain its position. If the Fund were to fail to make such payments, its position could be liquidated at a loss, and the Fund would be liable for any resulting deficit in its account. Futures exchanges may limit the amount of fluctuation permitted in futures contract prices during a single trading day by regulations. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified periods during the trading day. In addition, futures exchanges may have established limits referred to as "speculative position limits" or "accountability levels" on the maximum net long or short futures positions that any person may hold or control in derivatives traded on such exchanges. The Fund may be required to reduce the size of outstanding positions or not enter into new positions that would otherwise be taken for the Fund in order to comply with these limits or any future limits established by the relevant exchanges and/or regulators. Modification or liquidation of open positions held by the Fund, if required, could adversely affect the Fund's operations and profitability.

**Forward contracts.** The Fund may enter into forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges and are not standardized. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Trading in certain cash-settled forward contracts has become subject to swap regulation under the Dodd-Frank Act, a development which may increase costs and result in burdensome reporting requirements. The counterparties who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Adviser would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund.

**Structured securities.** The Fund may invest in structured securities, including subordinated tranches of such securities. In general, the risks associated with an investment in structured securities include those arising from investment in the underlying pool of mortgage loans or receivables and the risks of investing in fixed income instruments with positive duration. In addition, as an investor in subordinated structured securities in particular, the Fund could be the first in line among the debt holders to bear the risk of loss from delinquencies and defaults experienced on the collateral. Further, the structures used to issue these securities are often complex, unusual and difficult to analyze. Prices of mortgage-backed and asset-backed securities and their derivatives can be highly volatile. Price movements for such securities are influenced by, among other things, changing supply and demand relationships; government, trade, fiscal, and economic events; and changes in interest rates. The yield characteristics of mortgage-backed and asset-backed securities differ from traditional debt securities. The major differences include more frequent interest and principal payments, usually monthly, and the possibility that prepayments of principal may (particularly with mortgage-backed securities) be made at any time. Prepayment rates are influenced by changes in current interest rates and a variety of other factors. In general, changes in the rate of prepayments will change the yield to maturity of the security. These differences can result in significantly greater price and yield volatility than is the case with traditional debt securities.

**Swaps and OTC Derivatives.** The Fund may enter into swap and similar transactions involving or relating to interest rates, currencies, securities interests, commodities interests, indices, prices, or other items. A swap transaction is an agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, equities, credits, exchange rates, indices, or prices, with payments generally calculated by reference to a principal ("notional") amount or quantity.

Prior to the global financial crisis, swap transactions were generally individually negotiated non-standardized transactions entered into in OTC markets were not subject to the same type of government regulation as exchange-traded instruments. As a result, many of the protections afforded to participants on organized exchanges and in a regulated

	<p>environment have not been available in connection with these transactions. However, the OTC derivatives markets have, following the global financial crisis, become subject to comprehensive statutes and regulations. In particular, various jurisdictions around the world (e.g., the United States, the European Union and other members of the G-20 (including for example, China, India and Japan)) adopted or are making plans to adopt legislation or rules relating to OTC derivatives. For example, OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearing house, as well as possible mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. OTC derivatives dealers have also become subject to business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These margin and regulatory requirements have increased the overall costs for OTC derivatives dealers. Dealers can be expected to try to pass those increased costs along, at least partially, to market participants such as the Fund in the form of higher fees or less advantageous dealer marks. Also, such requirements may render certain strategies in which the Fund might otherwise engage impossible or so costly that they will no longer be economical to implement.</p>
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## **Item 9 – Disciplinary Information**

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

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

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

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

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

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

<b>Item 10.A</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable.</p>
<b>Item 10.B</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable.</p>
<b>Item 10.C</b>	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"><li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li><li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li><li>3. other investment adviser or financial planner</li><li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li><li>5. banking or thrift institution</li><li>6. accountant or accounting firm</li><li>7. lawyer or law firm</li><li>8. insurance company or agency</li><li>9. pension consultant</li><li>10. real estate broker or dealer</li><li>11. sponsor or syndicator of limited partnerships</li></ol> <p>Mr. Shiong Tan is the Co-Founder and Chief Executive Officer of Kaizen and also serves as a Director of the Funds.</p> <p>Certain Kaizen employees may invest directly in the Funds. Kaizen has adopted a Code of Ethics concerning trading by personnel of Kaizen that is designed to detect and prevent potential conflicts of interest between Kaizen and the Advisory Clients/investors. Please refer to Item 11 below for additional information regarding Kaizen’s Code of Ethics.</p>
<b>Item 10.D</b>	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>Not applicable.</p>

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

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



	<p><i>clients</i></p> <p>As explained in Item 10 above, Kaizen serves as investment manager to the Funds. Kaizen and certain Access Persons recommend interests in the Funds to prospective investors. Certain employees and affiliates of Kaizen invest directly in the Funds. The fact that affiliates of Kaizen may have a financial ownership interests in the Funds creates a potential conflict in that it could cause Kaizen and its affiliates to make different investment decisions than if such parties did not have such financial ownership interests. Kaizen believes that when Access Persons invest alongside the Funds, this aligns Kaizen and its Access Persons' interests with those of the Funds.</p> <p>The Code requires Access Persons to place the interests of Advisory Clients and investors over their own or those of Kaizen, and all Access Persons are required to acknowledge their receipt and understanding of the Code. As described in Item 11.A and 11.C, such potential conflicts are also addressed by the personal securities transaction pre-clearance and holding requirements to ensure all Access Persons place the interests of the Advisory Clients before their own.</p>
Item 11.C	<p><b>If you or a <i>related person</i> invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</b></p> <p>With the exception of securities held by employees when initially joining the firm, Kaizen prohibits its employees from effecting transactions for their own accounts in single named exposures (securities or derivatives), narrow based ETFs, Indexes or Funds. Kaizen prohibits trading in any securities being purchased and sold for the accounts of the Advisory Clients.</p> <p>This presents a conflict of interest to the Firm in that an employee could make improper use of information regarding an Advisory Client's holdings, future transactions or research paid for by the Advisory Clients. For example, an Access Person could take for himself or herself an investment opportunity available to an Advisory Client.</p> <p>Kaizen manages the conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict guidelines for Access Persons on pre-clearance and initial, quarterly and semi-annual reporting requirements. Specifically, and in the exceptional circumstances when trading is allowed, Kaizen's Code requires Access Persons of Kaizen to obtain prior written approval from Kaizen's Chief Compliance Officer before engaging in investments for personal accounts as well as any transactions in reportable securities in which such Access Person has direct or indirect beneficial ownership. The Chief Compliance Officer may only approve the transaction if he concludes that the transaction would comply with the provisions of the Code of Ethics and is not likely to have any adverse economic impact on the Advisory Clients. Kaizen will also maintain a "Restricted Securities" list, which will include any securities about which any Access Persons has material, non-public information. Any security appearing on the Restricted Securities list will not be approved for personal trading.</p> <p>The Chief Compliance Officer and/or his designee review each Access Person's personal transaction reports to make sure each Access Person is conducting his or her</p>

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

## Item 12 – Brokerage Practices

<p><b>Item 12.A.1</b></p>	<p><b>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</b></p> <p><b>1. Research and Other Soft Dollar Benefits.</b> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <p><b>Note:</b> Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.</p> <ul style="list-style-type: none"> <li><b>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</b></li> <li><b>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</b></li> <li><b>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</b></li> <li><b>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</b></li> <li><b>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</b></li> </ul> <p><b>Note:</b> This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.</p> <ul style="list-style-type: none"> <li><b>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</b></li> </ul> <p>In selecting brokers to be used in portfolio transactions, Kaizen’s general guiding principal is to obtain the best overall execution for each trade, which is a combination of price and other factors, such as execution. With respect to execution, Kaizen considers a number of evaluating factors, including, without limitation, the actual handling of the order, the ability of the broker to settle the trade promptly and</p>
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	<p>accurately, the financial standing of the broker, the ability of the broker to position stock to facilitate execution, Kaizen’s past experience with similar trades and other factors that may be unique to a particular order. Recognizing the value of these evaluating factors, Kaizen may select brokers who charge a brokerage commission that is higher than the lowest commission that might otherwise be available for any given trade.</p> <p>The Fund will maintain brokerage and custody arrangements with banks and other established financial institutions relating to execution, clearing and derivatives trading. Kaizen seeks to place portfolio transactions with brokers or dealers who will execute transactions as efficiently as possible and at the most favorable net price. In placing executions and paying brokerage commissions or dealer markups, Kaizen considers price, commission, timing, competent block trading coverage, capital strength and stability, research resources, and other factors.</p> <p><u>Soft Dollar Benefits</u></p> <p>While all transactions are made on a “best execution” basis, it is not Kaizen’s practice to negotiate “execution only” commission rates; thus, the Funds may be deemed to be paying for research, brokerage or other services which are included in the commission rate. These additional commissions will be allocated to a soft dollar account. Kaizen will limit the use of those “soft dollars” to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”). The research received by Kaizen may include, without limitation: information on Greater China, Asia, and other world economies; information on specific industries, groups of securities, individual companies, political and other relevant news developments affecting markets and specific securities; technical and quantitative information about markets; analysis of proxy proposals affecting specific companies; accounting and performance systems that allow Kaizen to determine and track investment results; and trading systems that allow Kaizen to interface electronically with brokerage firms, custodians and other providers. Research is received in the form of written reports, telephone contacts, personal meetings, research seminars, software programs, and access to computer databases.</p> <p>The research and investment information services described above make available to Kaizen for its analysis and consideration the views and information of individuals and research staffs of other securities firms. Although this information may be a useful supplement to Kaizen’s own investment information in rendering services, the value of this research and services is not expected to reduce materially the expenses of Kaizen in performing its services under the Advisory Agreement and will not reduce the management fees payable to Kaizen. This research may include both proprietary research or research created or developed by a third party.</p> <p>Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.</p>
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	<p>In some instances, Kaizen may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, Kaizen will make a good faith effort to determine the relative proportion of the product or service used to assist Kaizen in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting Kaizen in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Kaizen from its own resources.</p> <p><u>Best Execution Review</u></p> <p>As part of its fiduciary duty to Advisory Clients, Kaizen has an obligation to seek the best price and execution of Advisory Client transactions when Kaizen is in a position to direct brokerage transactions. While not defined by statute or regulation, “best execution” generally means the execution of Advisory Client trades at the best net price. As stated above, Kaizen outsources its brokerage and execution functions to a third-party broker. In light of this arrangement, Kaizen is responsible for selecting the trading venue, including the executing broker-dealer. To fulfill its best execution obligations, however, Kaizen will, among other things, assess the quality of a broker’s executions of the Funds’ trades regularly. In addition to evaluating the quality of trade executions regularly, the Investment Team will be responsible for performing formal best execution reviews which will generally be conducted on an annual basis.</p>
Item 12.A.2	<p><b><u>Brokerage for Client Referrals.</u> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</b></p> <p>a. <b>Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients</i>’ interest in receiving most favorable execution.</b></p> <p>b. <b>Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</b></p> <p>Not applicable.</p>

<p><b>Item 12.A.3</b></p>	<p><b><u>Directed Brokerage.</u></b></p> <p>a. If you routinely <b><u>recommend</u></b>, <b><u>request</u></b> or <b><u>require</u></b> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</p> <p>b. If you <b><u>permit</u></b> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</p> <p>Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.</p> <p>Not applicable.</p>
<p><b>Item 12.B</b></p>	<p><b>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</b></p> <p>The Adviser may, in its sole discretion, open "average price" accounts with brokers. In an "average price" account, purchase and sale orders placed during a day on behalf of all accounts of the Adviser, their affiliates and their Clients are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.</p>

**Item 13 – Review of Accounts**

<b>Item 13.A</b>	<p><b>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</b></p> <p>The Advisory Clients are under regular review by the Investment Team. A comprehensive portfolio review is held at least monthly. Such reviews include a review of existing investments, potential investments, the suitability of the investments used to meet policy objectives, cash availability, and investment objectives. The investment team assesses, among other things, the risks and valuation of individual holdings.</p>
<b>Item 13.B</b>	<p><b>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review.</b></p> <p>Not applicable.</p>
<b>Item 13.C</b>	<p><b>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</b></p> <p>Kaizen provides reports to Advisory Clients upon request as set forth in the applicable governing documents and investment management agreements.</p>

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

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



**Item 15 – Custody**

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

Kaizen is currently not subject to the Custody Rule pursuant to Advisers Act Rule 206(4)-2.

If Kaizen is deemed to have custody of Fund assets in the future, Kaizen will ensure compliance with the Custody Rule for all such Funds.

**Item 16 – Investment Discretion**

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

Investment advice is provided directly to the Funds (or indirectly in the case of a Sub-advised Fund) and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Governing Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents of the applicable Fund.

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

<b>Item 17.A</b>	<p><b>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</b></p> <p>Kaizen understands and appreciates the importance of proxy voting. To the extent that Kaizen has discretion to vote proxies on behalf of Advisory Clients, Kaizen will vote any such proxies in the best interests of the Advisory Clients and in accordance with set compliance procedures. Kaizen may abstain on any particular proxy vote or otherwise withhold its vote on any matter if it is in the best interest of an Advisory Client.</p> <p>Prior to voting any proxies, the Chief Compliance Officer will determine if there are any conflicts of interest related to the security in question. In the absence of a conflict of interest, Kaizen will generally vote “for” routine proposals, such as the election of directors, approval of auditors and amendments or revisions to corporate documents to eliminate outdated or unnecessary provisions. Unusual or disputed proposals will be reviewed and voted on a case-by-case basis. In any such unusual cases or if a conflict is identified, Kaizen will identify the conflicts and make a determination of the best course of action. In the event of a conflict of interest, Kaizen may delegate the voting decision for such proxy proposal to an independent third party or delegate the voting decision to an independent committee of partners, members, directors or other representatives of the Client, as applicable.</p> <p>Kaizen’s complete proxy voting policy and procedures will be memorialized in writing and available upon request. In addition, Kaizen will maintain a record of all proxy votes cast, which will also be available upon request. Advisory Clients and investors may request the foregoing information by contacting Kaizen at +852 3840 8800.</p>
<b>Item 17.B</b>	<p><b>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</b></p> <p>Not applicable.</p>

## **Item 18 – Financial Information**

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