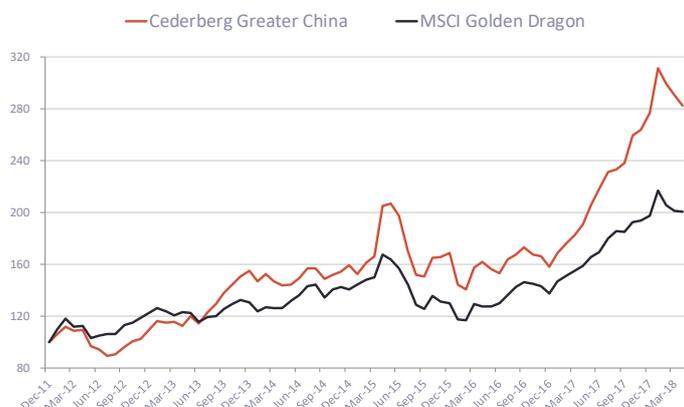




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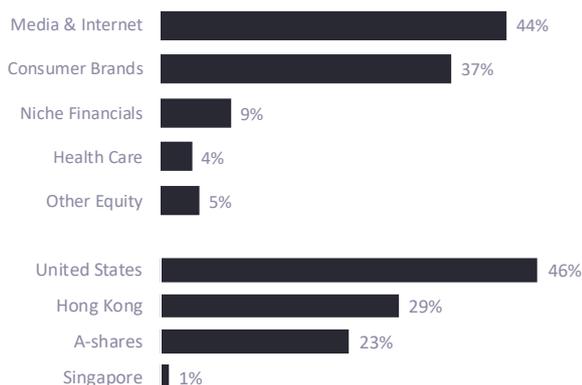
Performance Chart¹



Performance Table¹

Net Returns in US\$	Fund	Index	Peer group	Percentile
<i>Annualised</i>				
Since Fund inception	18%	12%	10%	99
5 years	20%	10%	9%	99
3 years	11%	6%	2%	97
2017	75%	44%	36%	99
2016	-7%	5%	-5%	44
2015	6%	-7%	-5%	89
2014	3%	8%	3%	38
2013	42%	7%	10%	99
2012	9%	22%	18%	5
<i>Not annualised</i>				
Year-to-date	2%	2%	-1%	81
3 months	-9%	-8%	-8%	37
1 month	-3%	0%	-2%	46

Portfolio Positioning²



Top 10 Holdings³

Alibaba	Ecommerce
Beijing Tong Ren Tang	Traditional Chinese Medicine
JD.com	Ecommerce
Kweichow Moutai	Distillers
Midea Group	Home appliances
Noah	Asset management
Tencent	Social network
Wuliangye Yibin	Distillers
Yihai	Condiments
YY	Online streaming

Risk Metrics⁴



	Fund	Index
Beta	1.08	1
Volatility	20%	16%
Sharpe Ratio	0.87	0.74
Correlation	0.84	1

Median Portfolio Characteristics⁵

P/E (2018e)	19x	ROE	22%
EV/EBIT (2018e)	12x	ROIC	18%
EPS growth (2018e)	24%	Market cap	US\$27bn
Net cash to equity	49%	Number of holdings	18
Dividend yield	1%	Top 10 holdings	75%

Fund Key Features⁶

Strategy	Long-only equity	Auditor	Deloitte
Domiciles	Cayman, Delaware	Custodian	Standard Chartered
Fund assets	US\$320mn	Administrator	Charter Group
Firm assets	US\$446mn	Cayman counsel	Maples & Calder
Minimum	US\$100,000	US & UK counsel	Schulte Roth & Zabel
Dealing	Monthly	Management fee	1.5%
Benchmark	MSCI Golden Dragon Index	Performance fee	20% of net alpha, with 6% abs. return trigger
Peer group	Greater China Equity	Phone	UK +44 207 871 7228 China +86 13072171983
ISIN	KYG2030A1004	Email	info@cederbergcap.com
NAV	282.430	Inception	1 Jan 2012

Past performance is not indicative of future results. Please see regulatory information on page 4. Source: Bloomberg, Charter Group, Cederberg. 30 Apr 2018

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Managing our growth

One of the most difficult choices we face, as a growing fund management firm, is whether we say yes to everyone who wants to invest with us, or whether we limit our own growth. If we choose the latter, then what is the appropriate speed at which we should grow, and when should we close to inflows altogether?

An investment strategy's capacity depends on a number of variables, including the nature of the asset class, the opportunity set the manager is aiming to exploit, the size and experience of the investment team, the quality of the client base, liquidity terms and so forth. Coming up with a figure is hard (so is turning down subscriptions!), hence many fund managers put it off until it is too late, which can often lead to mediocre returns in the long run.

Based on current conditions, Cederberg's capacity is higher than what we anticipated a few years ago. This change has been brought about by a number of factors:

1. A-shares (>3,000 stocks) are easier to access nowadays
2. Hundreds of new issues have come to the market
3. Market caps and liquidity have increased significantly
4. Cederberg's investment team has grown to four
5. Our high-quality client base has become more diversified
6. We're increasingly focused on higher quality companies, which are rare amongst Greater Chinese small caps: the fund's median market cap is currently \$27bn, and a mere 5% is in companies below \$1bn market cap

All this is quite topical, as we are about to partner with a substantial and highly regarded institution that shares our long-term investment horizon. The potential size of the separately managed account that we will run for them has implications for our future growth. To ensure that we can **remain concentrated all cap investors** as we grow, we will close the fund's existing share class for new subscriptions on July 1st (inclusive). At the same time, we will launch two lower liquidity share classes, as highlighted below. Class A investors will still be able to redeem with one month's notice, though they will also be able to switch to Class B or C any time they wish to do so. Investors in Class B will enjoy a 25bps management fee discount, while Class C might appeal to fans of the original Buffett Partnerships, which it resembles.

Looking back over the past seven years, it is clear that Cederberg has benefitted tremendously from the quality of our client base, in particular their long term investment horizons and willingness to look beyond short term volatility or periods of underperformance. We are optimistic that these new fund terms will continue to appeal to likeminded clients, enabling us to **grow carefully whilst staying true to our style**.

If you have any questions or comments, I would love to hear from you.

Warm regards,

David Krige

	Class A	Class B	Class C
Inception date	1 January 2012	1 July 2018	1 July 2018
Status	Close to new investments 1 July 2018 (inclusive)	Open 1 July 2018	Open 1 July 2018
Currency	USD	USD	USD
Minimum initial investment	USD100k	USD100k	USD100k
Subscription	Monthly	Monthly	Monthly
Redemption	30 days' notice	90 days' notice	90 days' notice
Redemption fee (to reimburse co-investors in fund)	3% if redemption within six months of a subscription	5% if redemption within three years of a subscription	No redemption first three years (hard lock)
Management fee	1.50% p.a.	1.25% p.a.	0%
Performance fee	20% of net alpha over MSCI Golden Dragon Index (incl. dividends); payable after 3yrs if fund generated >6% p.a. USD	20% of net alpha over MSCI Golden Dragon Index (incl. dividends); payable after 3yrs if fund generated >6% p.a. USD	25% of returns over 6% p.a. USD hard hurdle; payable after 3yrs
High water mark	Yes	Yes	Yes
Investor level locks (maximum redemption per investor per time period)	N/A	25% per quarter	25% per quarter



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Regulatory information and risk warning

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Disclosure

¹ Past performance is not indicative of future performance. Investors whose reference currency differs from the US dollar may be subject to exchange rate movements that alter the value of their investments. MSCI Golden Dragon Total Return Index includes net dividends reinvested. Peer group is Bloomberg universe of equity funds with Greater China geographical focus. Source: Charter Group Admin, Bloomberg, Cederberg.

² Category definitions as per Cederberg. Source: Bloomberg, Cederberg

³ Source: Cederberg

⁴ Upside Capture is calculated by dividing the fund's average NAV return during months in which the index had a positive return by the average index return during those months. Downside Capture is calculated by dividing the fund's average NAV return during months in which the index had a negative return by the average index return during those months.

⁵ Median portfolio characteristics are quoted as of 4 May 2018. Source: Bloomberg, Cederberg.

⁶ As of 30 April 2018. Source: Cederberg.

Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the Fund's Offering Memorandum for further details and risk factors, in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Cederberg Capital does not guarantee the accuracy or completeness of the information provided by third parties.

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